

1 SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT
2 AND TRAINING ACTIVITIES.

3 (a) STATE ALLOTMENTS.—

(1) RESERVATIONS.—Section 132(a)(2)(A) is amended by striking “national emergency grants” and inserting “national dislocated worker grants”.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended—

9 (A) in paragraph (1)(A)(ii), by striking
10 “section 127(b)(1)(B)” and all that follows and
11 inserting “section 127(b)(1)(D).”;

12 (B) by striking paragraph (1)(B)(ii) and
13 inserting the following:

14 “(ii) FORMULA.—Subject to clauses
15 (iii) and (iv), of the remainder—

16 “(I) 40 percent shall be allotted
17 on the basis of the relative number of
18 unemployed individuals in areas of
19 substantial unemployment in each
20 State, compared to the total number
21 of unemployed individuals in areas of
22 substantial unemployment in all
23 States;

24 “(II) 25 percent shall be allotted
25 on the basis of the relative number of
26 individuals in the civilian labor force

1 in each State, compared to the total
2 number of such individuals in all
3 States; and

4 “(III) 35 percent shall be allotted
5 on the basis of the relative number of
6 disadvantaged adults in each State,
7 compared to the total number of dis-
8 advantaged adults in all States, except
9 as described in clause (iii).”;

10 (C) in paragraph (1)(B)(iii), by striking
11 “section 116(a)(2)(B)” and inserting “section
12 116(a)(2)(A)(iii)”;

13 (D) in paragraph (2)(A)(ii), by striking
14 “section 127(b)(1)(B)” and all that follows and
15 inserting “section 127(b)(1)(D).”.

16 (3) REALLOTMENT.—Section 132(c) (29 U.S.C.
17 2862(c)) is amended—

18 (A) by striking paragraph (2) and insert-
19 ing the following:

20 “(2) AMOUNT.—The amount available for real-
21 lotment for a program year for programs funded
22 under subsection (b)(1)(B) (relating to adult em-
23 ployment and training) and subsection (b)(2)(B) (re-
24 lating to dislocated worker employment and train-
25 ing), respectively, is equal to the amount by which

1 the unexpended balance at the end of the program
2 year prior to the program year for which the deter-
3 mination is made exceeds 30 percent of the total
4 amount of funds available to the State under sub-
5 section (b)(1)(B) or (b)(2)(B), respectively, during
6 such prior program year (including amounts allotted
7 to the State in all prior program years under such
8 provisions that remained available). For purposes of
9 this paragraph, the unexpended balance is the
10 amount that is the difference between—

11 “(A) the total amount of funds available to
12 the State under subsection (b)(1)(B) or
13 (b)(2)(B), respectively, during the program year
14 prior to the program year for which the deter-
15 mination is made (including amounts allotted to
16 the State in all prior program years under such
17 provisions that remained available); and

18 “(B) the accrued expenditures from such
19 total amount of funds available under sub-
20 section (b)(1)(B) or (b)(2)(B), respectively,
21 during such prior program year.”;

22 (B) in paragraph (3)—

23 (i) by striking “under this section for
24 such activities for the prior program year”
25 and inserting “under subsection (b)(1)(B)

1 or (b)(2)(B), as appropriate, for the pro-
2 gram year for which the determination is
3 made”; and

4 (ii) by striking “under this subsection
5 for such activities for such prior program
6 year” and inserting “under subsection
7 (b)(1)(B) or (b)(2)(B), as appropriate, for
8 such program year”;

9 (C) by striking paragraph (4) and insert-
10 ing the following:

11 “(4) ELIGIBILITY.—For purposes of this sub-
12 section, an eligible State means—

13 “(A) with respect to funds allotted under
14 subsection (b)(1)(B), a State that does not have
15 an amount of such funds available for reallocot-
16 ment under paragraph (2) for the program year
17 for which the determination under paragraph
18 (2) is made; and

19 “(B) with respect to funds allotted under
20 subsection (b)(2)(B), a State that does not have
21 an amount of such funds available for reallocot-
22 ment under paragraph (2) for the program year
23 for which the determination under paragraph
24 (2) is made.”; and

1 (D) in paragraph (5), by striking “obligation” and inserting “accrued expenditure”.

3 (4) EFFECTIVE DATE.—The amendments made
4 by paragraph (3) shall take effect for the later of—

5 (A) the program year that begins after the
6 date of enactment of this Act; or

7 (B) program year 2004.

8 (b) WITHIN STATE ALLOCATIONS.—

9 (1) ALLOCATION.—Section 133(b)(5)(B)(ii) (29
10 U.S.C. 2863(b)(5)(B)(ii)) is amended by striking
11 “section 134(c)” and inserting “section 121(e)”.

12 (2) REALLOCATION.—Section 133(c) (29
13 U.S.C. 2863(c)) is amended—

14 (A) in paragraph (1), by inserting “, and
15 under subsection (b)(2)(B) for dislocated work-
16 er employment and training activities,” after
17 “activities”;

18 (B) by striking paragraph (2) and insert-
19 ing the following:

20 “(2) AMOUNT.—The amount available for re-
21 allocation for a program year for programs funded
22 under paragraphs (2)(A) and (3) of subsection (b)
23 (relating to adult employment and training) and
24 subsection (b)(2)(B) (relating to dislocated worker
25 employment and training), respectively, is equal to

1 the amount by which the unexpended balance at the
2 end of the program year prior to the program year
3 for which the determination is made exceeds 30 per-
4 cent of the total amount of funds available to the
5 local area under paragraphs (2)(A) and (3) of sub-
6 section (b), or subsection (b)(2)(B), respectively,
7 during such prior program year (including amounts
8 allocated to the local area in all prior program years
9 under such provisions that remained available). For
10 purposes of this paragraph, the unexpended balance
11 is the amount that is the difference between—

12 “(A) the total amount of funds available to
13 the local area under paragraphs (2)(A) and (3)
14 of subsection (b), or subsection (b)(2)(B), re-
15 spectively, during the program year prior to the
16 program year for which the determination is
17 made (including amounts allotted to the local
18 area in all prior program years under such pro-
19 visions that remained available); and

20 “(B) the accrued expenditures from such
21 total amount of funds available under para-
22 graphs (2)(A) and (3) of subsection (b), or sub-
23 section (b)(2)(B), respectively, during such
24 prior program year.”;

1 (C) by striking paragraph (3) and insert-
2 ing the following:

3 “(3) REALLOCATION.—In making reallocations
4 to eligible local areas of amounts available pursuant
5 to paragraph (2) for a program year, the Governor
6 shall allocate to each eligible local area within the
7 State—

8 “(A) with respect to amounts that are
9 available for reallocation under paragraph (2)
10 that were allocated under paragraphs (2)(A) or
11 (3) of subsection (b), an amount based on the
12 relative amount allocated to such local area
13 under paragraphs (2)(A) or (3) of subsection
14 (b), as appropriate, for the program year for
15 which the determination is made, as compared
16 to the total amount allocated to all eligible local
17 areas under paragraphs (2)(A) or (3) of sub-
18 section (b), as appropriate, of such program
19 year; and

20 “(B) with respect to amounts that are
21 available for reallocation under paragraph (2)
22 that were allocated under subsection (b)(2)(B),
23 an amount based on the relative amount allo-
24 cated to such local area under subsection
25 (b)(2)(B) for the program year for which the

1 determination is made, as compared to the total
2 amount allocated to all eligible local areas
3 under subsection (b)(2)(B) for such program
4 year.”; and

5 (D) by striking paragraph (4) and insert-
6 ing the following:

7 “(4) ELIGIBILITY.—For purposes of this sub-
8 section, an eligible local area means—

9 “(A) with respect to funds allocated under
10 paragraphs (2)(A) or (3) of subsection (b), a
11 local area that does not have an amount of such
12 funds available for reallocation under paragraph
13 (2) for the program year for which the deter-
14 mination under paragraph (2) is made; and

15 “(B) with respect to funds allocated under
16 subsection (b)(2)(B), a local area that does not
17 have an amount of such funds available for re-
18 allocation under paragraph (2) for the program
19 year for which the determination under para-
20 graph (2) is made.”.

21 (3) EFFECTIVE DATE.—The amendments made
22 by paragraph (2) shall take effect for the later of—

23 (A) the program year that begins after the
24 date of enactment of this Act; or

25 (B) program year 2004.

1 (c) USE OF FUNDS FOR EMPLOYMENT AND TRAIN-
2 ING ACTIVITIES.—

3 (1) STATEWIDE EMPLOYMENT AND TRAINING
4 ACTIVITIES.—

5 (A) STATEWIDE RAPID RESPONSE ACTIVI-
6 TIES.—Section 134(a)(2)(A) (29 U.S.C.
7 2864(a)(2)(A)) is amended to read as follows:

8 “(A) STATEWIDE RAPID RESPONSE ACTIVI-
9 TIES.—

10 “(i) IN GENERAL.—A State shall
11 carry out statewide rapid response activi-
12 ties using funds reserved by a Governor for
13 a State under section 133(a)(2). Such ac-
14 tivities shall include—

15 “(I) provision of rapid response
16 activities, carried out in local areas by
17 the State or by an entity designated
18 by the State, working in conjunction
19 with the local boards and the chief
20 elected officials for the local areas;
21 and

22 “(II) provision of additional as-
23 sistance to local areas that experience
24 disasters, mass layoffs, or plant clos-
25 ings, or other events that precipitate

1 substantial increases in the number of
2 unemployed individuals, carried out in
3 local areas by the State, working in
4 conjunction with the local boards and
5 the chief elected officials for the local
6 areas.

7 “(ii) USE OF UNEXPENDED FUNDS.—
8 Funds reserved under section 133(a)(2) to
9 carry out this subparagraph that remain
10 unexpended after the first program year
11 for which such funds were allotted may be
12 used by the Governor to carry out state-
13 wide activities authorized under subpara-
14 graph (B) and paragraph (3)(A) in addi-
15 tion to activities under this subpara-
16 graph.”.

17 (B) STATEWIDE EMPLOYMENT AND TRAIN-
18 ING ACTIVITIES.—Section 134(a)(2) (29 U.S.C.
19 2864(a)(2)) is amended by striking subpara-
20 graph (B) and inserting the following:

21 “(B) STATEWIDE EMPLOYMENT AND
22 TRAINING ACTIVITIES.—Funds reserved by a
23 Governor for a State under sections 128(a)(1)
24 and 133(a)(1) and not used under paragraph

1 (1)(A) shall be used for statewide employment
2 and training activities, including—

3 “(i) disseminating—

4 “(I) the State list of eligible pro-
5 viders of training services, including
6 eligible providers of nontraditional
7 training services;

8 “(II) information identifying eli-
9 gible providers of on-the-job training
10 and customized training;

11 “(III) performance information
12 and program cost information, as de-
13 scribed in subsections (e) and (h) of
14 section 122; and

15 “(IV) information on physical
16 and programmatic assessability for in-
17 dividuals with disabilities;

18 “(ii) conducting evaluations under
19 section 136(e) of activities authorized
20 under this chapter and chapter 5 in coordi-
21 nation with evaluations carried out by the
22 Secretary under section 172;

23 “(iii) providing incentive grants to
24 local areas in recognition of exceptional
25 achievement relating to—

1 “(I) regional cooperation among
2 local boards (including local boards in
3 a designated region as described in
4 section 116(c));

5 “(II) expanded local coordination
6 of programs and activities carried out
7 as part of a comprehensive workforce
8 investment system, including—

9 “(aa) coordination of em-
10 ployment services under the
11 Wagner-Peyser Act and core ac-
12 tivities under this title; and

13 “(bb) partner programs de-
14 scribed in section 121;

15 “(III) exemplary performance by
16 local areas as described in section
17 136(i)(2); and

18 “(IV) providing expanded access
19 to education and training services, es-
20 pecially through increased leveraging
21 of resources other than those provided
22 through programs under this title;

23 “(iv) developing strategies for ensur-
24 ing that activities carried out under this
25 section are placing men and women in

1 jobs, education, and training that lead to
2 comparable pay;

3 “(v) providing technical assistance
4 and capacity building to local areas, one-
5 stop operators, one-stop partners, and eli-
6 gible providers, including the development
7 and training of staff, the development of
8 exemplary program activities, and the pro-
9 vision of technical assistance to local areas
10 that fail to meet local performance meas-
11 ures described in section 136(c), which
12 may include the development and training
13 of staff to provide opportunities for hard-
14 to-serve populations to enter high-wage,
15 high-skilled, and nontraditional occupa-
16 tions;

17 “(vi) operating a fiscal and manage-
18 ment accountability system under section
19 136(f); and

20 “(vii) carrying out monitoring and
21 oversight of activities carried out under
22 this chapter and chapter 4.”.

23 (C) ALLOWABLE STATEWIDE EMPLOYMENT
24 AND TRAINING ACTIVITIES.—Section

1 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A) is
2 amended to read as follows:

3 “(A) IN GENERAL.—A State may use
4 funds reserved as described in sections 128(a)
5 and 133(a)(1) (regardless of whether the funds
6 were allotted to the State under section
7 127(b)(1) or paragraph (1) or (2) of section
8 132(b)) to carry out additional statewide em-
9 ployment and training activities, which may
10 include—

11 “(i) implementing innovative pro-
12 grams and strategies designed to meet the
13 needs of all businesses in the State, includ-
14 ing small businesses, which may include in-
15 cumbent worker training programs, sec-
16 toral and industry cluster strategies and
17 partnerships, including regional skills alli-
18 ances, career ladder programs, micro-en-
19 terprise and entrepreneurial training and
20 support programs, utilization of effective
21 business intermediaries, activities to im-
22 prove linkages between the one-stop deliv-
23 ery systems in the State and all employers
24 (including small employers), in the State
25 and other business services and strategies

1 that better engage employers in workforce
2 activities and make the workforce invest-
3 ment system more relevant to the needs of
4 State and local businesses, consistent with
5 the purposes of this Act;

6 “(ii) developing strategies for effec-
7 tively serving hard-to-serve populations
8 and for coordinating programs and services
9 among one-stop partners;

10 “(iii) implementing innovative pro-
11 grams for displaced homemakers, which for
12 purposes of this subparagraph may include
13 an individual who is receiving public assist-
14 ance and is within 2 years of exhausting
15 lifetime eligibility under part A of title IV
16 of the Social Security Act (42 U.S.C. 601
17 et seq.);

18 “(iv) implementing programs to in-
19 crease the number of individuals training
20 for and placed in nontraditional employ-
21 ment;

22 “(v) carrying out activities to facili-
23 tate remote access to services, including
24 training services described in subsection
25 (d)(4), provided through a one-stop deliv-

1 ery system, including facilitating access
2 through the use of technology;

3 “(vi) supporting the provision of core
4 services described in subsection (d)(2) in
5 the one-stop delivery system in the State;

6 “(vii) coordinating with the child wel-
7 fare system to facilitate services for chil-
8 dren in foster care and those who are eligi-
9 ble for assistance under section 477 of the
10 Social Security Act;

11 “(viii) activities—

12 “(I) to improve coordination be-
13 tween workforce investment activities
14 carried out within the State involved
15 and economic development activities;

16 “(II) to improve coordination be-
17 tween employment and training assist-
18 ance and child support services and
19 assistance provided by State and local
20 agencies carrying out part D of title
21 IV of the Social Security Act (42
22 U.S.C. 651 et seq.);

23 “(III) to improve coordination
24 between employment and training as-
25 sistance and cooperative extension

1 programs carried out by the Depart-
2 ment of Agriculture;

3 “(IV) to improve coordination be-
4 tween employment and training assist-
5 ance and programs carried out in the
6 local area for individuals with disabil-
7 ities, including programs carried out
8 by State agencies relating to mental
9 retardation and developmental disabil-
10 ities, Statewide Independent Living
11 Councils established under section
12 705 of the Rehabilitation Act of 1973
13 (29 U.S.C. 796d), and centers for
14 independent living defined in section
15 702 of the Rehabilitation Act of 1973
16 (29 U.S.C. 796a); and

17 “(V) to develop and disseminate
18 workforce and labor market informa-
19 tion;

20 “(ix) conducting—

21 “(I) research; and

22 “(II) demonstration projects; and

23 “(x) adopting, calculating, or commis-
24 sioning a minimum self-sufficiency stand-
25 ard that specifies the income needs of fam-

1 ilies, by family size, the number and ages
2 of children in the family, and sub-State
3 geographical considerations.”.

4 (2) REQUIRED LOCAL EMPLOYMENT AND
5 TRAINING ACTIVITIES.—

6 (A) ALLOCATED FUNDS.—Section
7 134(d)(1) (29 U.S.C. 2864(d)(1)) is amended—

8 (i) in clause (i), by striking “described
9 in subsection (c)”;

10 (ii) in clause (iii), by striking “and”
11 at the end;

12 (iii) in clause (iv), by striking the pe-
13 riod and inserting a semicolon; and

14 (iv) by adding at the end the fol-
15 lowing:

16 “(v) to designate a dedicated business
17 liaison in the local area who may be funded
18 with funds provided under this title or
19 from other sources to establish and develop
20 relationships and networks with large and
21 small employers and their intermediaries;
22 and

23 “(vi) in order to avoid duplication of
24 services and enhance coordination of serv-
25 ices, to require the colocation of employ-

1 ment services provided under the Wagner-
2 Peyser Act at the comprehensive one-stop
3 centers.”.

4 (B) CORE SERVICES.—Section 134(d)(2)
5 (29 U.S.C. 2864(d)(2)) is amended—

6 (i) in the matter preceding subpara-
7 graph (A), by striking “paragraph (1)(A)”
8 and inserting “paragraph (1)”;

9 (ii) by striking subparagraph (D) and
10 inserting the following:

11 “(D) labor exchange services, including—

12 “(i) job search and placement assist-
13 ance and, in appropriate cases, career
14 counseling, including—

15 “(I) exposure to high wage, high
16 skill jobs; and

17 “(II) nontraditional employment;
18 and

19 “(ii) appropriate recruitment and
20 other business services for all employers,
21 including small employers, in the local
22 area, which may include services described
23 in this subsection, including information
24 and referral to specialized business services

1 not traditionally offered through the one-
2 stop delivery system;”;

3 (iii) in subparagraph (E)(iii)—

4 (I) by inserting “, career lad-
5 ders,” after “earnings”; and

6 (II) by striking “and” at the end;

7 (iv) in subparagraph (F)—

8 (I) by striking “and program cost
9 information”; and

10 (II) by striking “described in sec-
11 tion 123”;

12 (v) by striking subparagraph (H) and
13 inserting the following:

14 “(H) provision of accurate information, in
15 formats that are usable and understandable to
16 all one-stop customers, relating to the avail-
17 ability of supportive services or assistance, in-
18 cluding childcare, child support, medical or
19 child health assistance under title XIX or XXI
20 of the Social Security Act, benefits under the
21 Food Stamp Act of 1977, the earned income
22 tax credit under section 32 of the Internal Rev-
23 enue Code of 1986, and assistance under a
24 State program funded under part A of title IV
25 of the Social Security Act and other supportive

1 services and transportation provided through
2 funds made available under such part, available
3 in the local area, and referral to such services
4 or assistance as appropriate;” and

5 (vi) in subparagraph (J), by striking
6 “for—” and all that follows through “(ii)
7 programs” and inserting “for programs”.

8 (C) INTENSIVE SERVICES.—Section
9 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

10 (i) by striking subparagraph (A) and
11 inserting the following:

12 “(A) IN GENERAL.—

13 “(i) ELIGIBILITY.—Except as pro-
14 vided in clause (ii), funds allocated to a
15 local area for adults under paragraph
16 (2)(A) or (3), as appropriate, of section
17 133(b), and funds allocated to the local
18 area for dislocated workers under section
19 133(b)(2)(B), shall be used to provide in-
20 tensive services to adults and dislocated
21 workers, respectively—

22 “(I) who are unemployed and
23 who, after an interview, evaluation, or
24 assessment, have been determined by

1 a one-stop operator or one-stop part-
2 ner to be—

3 “(aa) unlikely or unable to
4 obtain employment, that leads to
5 self-sufficiency or wages com-
6 parable to or higher than pre-
7 vious employment, through core
8 services described in paragraph
9 (2); and

10 “(bb) in need of intensive
11 services in order to obtain em-
12 ployment that leads to self-suffi-
13 ciency or wages comparable to or
14 higher than previous employ-
15 ment; or

16 “(II) who are employed, but who,
17 after an interview, evaluation, or as-
18 sessment are determined by a one-
19 stop operator or one-stop partner to
20 be in need of intensive services to ob-
21 tain or retain employment that leads
22 to self-sufficiency.

23 “(ii) SPECIAL RULE.—A new inter-
24 view, evaluation, or assessment of a partic-
25 ipant is not required under clause (i) if the

1 one-stop operator or one-stop partner de-
2 termines that it is appropriate to use a re-
3 cent assessment of the participant con-
4 ducted pursuant to another education or
5 training program.”; and

6 (ii) in subparagraph (C)—

7 (I) in clause (v), by striking “for
8 participants seeking training services
9 under paragraph (4)”; and

10 (II) by adding at the end the fol-
11 lowing:

12 “(vii) Internships and work experi-
13 ence.

14 “(viii) Literacy activities relating to
15 basic work readiness, and financial literacy
16 activities.

17 “(ix) Out-of-area job search assistance
18 and relocation assistance.

19 “(x) English language acquisition and
20 integrated training programs.”.

21 (D) TRAINING SERVICES.—Section
22 134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—

23 (i) by striking subparagraph (A) and
24 inserting the following:

25 “(A) IN GENERAL.—

1 “(i) ELIGIBILITY.—Except as pro-
2 vided in clause (ii), funds allocated to a
3 local area for adults under paragraph
4 (2)(A) or (3), as appropriate, of section
5 133(b), and funds allocated to the local
6 area for dislocated workers under section
7 133(b)(2)(B), shall be used to provide
8 training services to adults and dislocated
9 workers, respectively—

10 “(I) who, after an interview, eval-
11 uation, or assessment, and case man-
12 agement, have been determined by a
13 one-stop operator or one-stop partner,
14 as appropriate, to—

15 “(aa) be unlikely or unable
16 to obtain or retain employment,
17 that leads to self-sufficiency or
18 wages comparable to or higher
19 than previous employment,
20 through the intensive services de-
21 scribed in paragraph (3);

22 “(bb) be in need of training
23 services to obtain or retain em-
24 ployment that leads to self-suffi-
25 ciency or wages comparable to or

1 higher than previous employ-
2 ment; and

3 “(cc) have the skills and
4 qualifications to successfully par-
5 ticipate in the selected program
6 of training services;

7 “(II) who select programs of
8 training services that are directly
9 linked to the employment opportuni-
10 ties in the local area or region in-
11 volved or in another area to which the
12 adults or dislocated workers are will-
13 ing to commute or relocate;

14 “(III) who meet the requirements
15 of subparagraph (B); and

16 “(IV) who are determined to be
17 eligible in accordance with the priority
18 system in effect under subparagraph
19 (E).

20 “(ii) SPECIAL RULE.—A new inter-
21 view, evaluation, or assessment of a partic-
22 ipant is not required under clause (i) if the
23 one-stop operator or one-stop partner de-
24 termines that it is appropriate to use a re-
25 cent assessment of the participant con-

1 ducted pursuant to another education or
2 training program.”;

3 (ii) in subparagraph (B)(i), by strik-
4 ing “Except” and inserting “Notwith-
5 standing section 479B of the Higher Edu-
6 cation Act of 1965 (20 U.S.C. 1087uu)
7 and except”;

8 (iii) in subparagraph (D)—

9 (I) in clause (viii), by striking
10 “and” after the semicolon;

11 (II) in clause (ix), by striking the
12 period and inserting “; and”; and

13 (III) by adding at the end the
14 following:

15 “(x) English language acquisition and
16 integrated training programs.”;

17 (iv) in subparagraph (F)—

18 (I) in clause (ii), by striking “re-
19 ferred to in subsection (c), shall make
20 available—” and all that follows and
21 inserting “shall make available a list
22 of eligible providers of training serv-
23 ices, and accompanying information,
24 in accordance with section 122(d).”;

1 (II) in the heading of clause (iii),
2 by striking “INDIVIDUAL TRAINING
3 ACCOUNTS” and inserting “CAREER
4 SCHOLARSHIP ACCOUNTS”;

5 (III) in clause (iii)—

6 (aa) by striking “identifying
7 information” and inserting “ac-
8 companying information”;

9 (bb) by striking “clause
10 (ii)(I)” and inserting “clause
11 (ii)”;

12 (cc) by striking “individual
13 training account” and inserting
14 “career scholarship account”;
15 and

16 (IV) by adding the following
17 clause after clause (iii):

18 “(iv) COORDINATION.—Each local
19 board may, through one-stop centers, co-
20 ordinate career scholarship accounts with
21 other Federal, State, local, or private job
22 training programs or sources to assist the
23 individual in obtaining training services.”;
24 and

25 (v) in subparagraph (G)—

1 (I) in the subparagraph heading,
2 by striking “INDIVIDUAL TRAINING
3 ACCOUNTS” and inserting “CAREER
4 SCHOLARSHIP ACCOUNTS”;

5 (II) in clause (i), by striking “in-
6 dividual training accounts” and in-
7 serting “career scholarship accounts”;

8 (III) in clause (ii)—

9 (aa) by striking “individual
10 training account” and inserting
11 “career scholarship account”;
12 and

13 (bb) in subclause (II), by
14 striking “individual training ac-
15 counts” and inserting “career
16 scholarship accounts”;

17 (cc) in subclause (II), by
18 striking “or” after the semicolon;

19 (dd) in subclause (III), by
20 striking the period and inserting
21 “; or”; and

22 (ee) by adding at the end
23 the following:

24 “(IV) the local board determines
25 that it would be most appropriate to

1 award a contract to an institution of
2 higher education in order to facilitate
3 the training of multiple individuals in
4 high-demand occupations, if such con-
5 tract does not limit customer choice.”;
6 and

7 (IV) in clause (iv)—

8 (aa) by redesignating sub-
9 clause (IV) as subclause (V); and

10 (bb) by inserting after sub-
11 clause (III) the following:

12 “(IV) Individuals with disabil-
13 ities.”.

14 (3) PERMISSIBLE ACTIVITIES.—Section 134(e)
15 (29 U.S.C. 2864(e)) is amended—

16 (A) by striking the matter preceding para-
17 graph (2) and inserting the following:

18 “(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAIN-
19 ING ACTIVITIES.—

20 “(1) IN GENERAL.—

21 “(A) ACTIVITIES.—Funds allocated to a
22 local area for adults under paragraph (2)(A) or
23 (3), as appropriate, of section 133(b), and
24 funds allocated to the local area for dislocated
25 workers under section 133(b)(2)(B), may be

1 used to provide, through the one-stop delivery
2 system involved—

“(i) customized screening and referral
of qualified participants in training serv-
ices described in subsection (d)(4) to em-
ployment;

7 “(ii) customized employment-related
8 services to employers on a fee-for-service
9 basis;

“(iii) customer support to enable members of hard-to-serve populations, including individuals with disabilities, to navigate among multiple services and activities for such populations;

“(iv) technical assistance and capacity building for serving individuals with disabilities in local areas, and by one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the provision of outreach, intake, assessments, and service delivery, and the development of performance measures;

24 “(v) employment and training assist-
25 ance provided in coordination with child

1 support enforcement activities of the State
2 and local agencies carrying out part D of
3 title IV of the Social Security Act (42
4 U.S.C. 601 et seq.);

5 “(vi) activities to improve coordination
6 between employment and training assist-
7 ance and child support services and assist-
8 ance provided by State and local agencies
9 carrying out part D of title IV of the So-
10 cial Security Act (42 U.S.C. 651 et seq.);

11 “(vii) activities to improve coordina-
12 tion between employment and training as-
13 sistance and cooperative extension pro-
14 grams carried out by the Department of
15 Agriculture;

16 “(viii) activities to facilitate remote
17 access to services provided through a one-
18 stop delivery system, including facilitating
19 access through the use of technology;

20 “(ix) activities—

21 “(I) to improve coordination be-
22 tween workforce investment activities
23 carried out within the local area in-
24 volved and economic development ac-
25 tivities; and

“(II) to improve services and linkages between the local workforce investment system including the local one-stop delivery system, and all employers, including small employers in the local area, through services described under this section, including subparagraph (B);

9 “(x) training programs for displaced
10 homemakers and for individuals training
11 for nontraditional occupations, in conjunc-
12 tion with programs operated in the local
13 area;

“(xi) using a portion of the funds allocated under section 133(b), activities to carry out business services and strategies that meet the workforce development needs of local area employers, as determined by the local board, consistent with the local plan under section 118, which services—

“(I) may be provided through effective business intermediaries working in conjunction with the local board, and may also be provided on a fee for service basis or through the

1 leveraging of economic development
2 and other resources as determined ap-
3 propriate by the local board; and

4 “(II) may include—

5 “(aa) identifying for and
6 disseminating to business, edu-
7 cators, and job seekers, informa-
8 tion related to the workforce, eco-
9 nomic and community develop-
10 ment needs, and opportunities of
11 the local economy;

12 “(bb) development and deliv-
13 ery of innovative workforce in-
14 vestment services and strategies
15 for area businesses, which may
16 include sectoral, industry cluster,
17 regional skills alliances, career
18 ladder, skills upgrading, skill
19 standard development and certifi-
20 cation, apprenticeship, and other
21 effective initiatives for meeting
22 the workforce development needs
23 of area employers and workers;

24 “(cc) participation in semi-
25 nars and classes offered in part-

1 nership with relevant organiza-
2 tions focusing on the workforce-
3 related needs of area employers
4 and job seekers;

5 “(dd) training consulting,
6 needs analysis, and brokering
7 services for area businesses, in-
8 cluding the organization and ag-
9 gregation of training (which may
10 be paid for with funds other than
11 those provided under this title),
12 for individual employers and coa-
13 litions of employers with similar
14 interests, products, or workforce
15 needs;

16 “(ee) assistance to area em-
17 ployers in the aversion of layoffs
18 and in managing reductions in
19 force in coordination with rapid
20 response activities;

21 “(ff) the marketing of busi-
22 ness services offered under this
23 Act, to appropriate area employ-
24 ers, including small and mid-
25 sized employers;

1 “(gg) information referral
2 on concerns affecting local em-
3 ployers; and

4 “(hh) other business services
5 and strategies designed to better
6 engage employers in workforce
7 development activities and to
8 make the workforce investment
9 system more relevant to the
10 workforce development needs of
11 area businesses, as determined by
12 the local board to be consistent
13 with the purposes of this Act;

14 “(xii) activities to adjust the self-suffi-
15 ciency standards for local factors, or activi-
16 ties to adopt, calculate, or commission a
17 self-sufficiency standard that specifies the
18 income needs of families, by family size,
19 the number and ages of children in the
20 family, and sub-State geographical consid-
21 erations; and

22 “(xiii) improved coordination between
23 employment and training assistance and
24 programs carried out in the local area for
25 individuals with disabilities, including pro-

1 grams carried out by State agencies relat-
2 ing to mental retardation and develop-
3 mental disabilities, Statewide Independent
4 Living Councils established under section
5 705 of the Rehabilitation Act of 1973 (29
6 U.S.C. 796d), and centers for independent
7 living defined in section 702 of the Reha-
8 bilitation Act of 1973 (29 U.S.C. 796a).

9 “(B) WORK SUPPORT ACTIVITIES FOR
10 LOW-WAGE WORKERS.—

11 “(i) IN GENERAL.—Funds allocated to
12 a local area for adults under paragraph
13 (2)(A) or (3), as appropriate, of section
14 133(b), and funds allocated to the local
15 area for dislocated workers under section
16 133(b)(2)(B), may be used to provide,
17 through the one-stop delivery system in-
18 volved, work support activities designed to
19 assist low-wage workers in retaining and
20 enhancing employment. The one-stop part-
21 ners shall coordinate the appropriate pro-
22 grams and resources of the partners with
23 the activities and resources provided under
24 this subparagraph.

1 “(ii) ACTIVITIES.—The activities de-
2 scribed in clause (i) may include the provi-
3 sion of activities described in this section
4 through the one-stop delivery system in a
5 manner that enhances the opportunities of
6 such workers to participate in the activi-
7 ties, such as the provision of activities de-
8 scribed in this section during nontradi-
9 tional hours and the provision of on-site
10 child care while such activities are being
11 provided.”;

12 (B) in paragraph (2), by striking the mat-
13 ter preceding subparagraph (A) and inserting
14 the following:

15 “(2) SUPPORTIVE SERVICES.—Funds allocated
16 to a local area for adults under paragraph (2)(A) or
17 (3), as appropriate, of section 133(b), and funds al-
18 located to the local area for dislocated workers under
19 section 133(b)(2)(B), may be used to provide sup-
20 portive services to adults and dislocated workers, re-
21 spectively—”; and

22 (C) by adding at the end the following:

23 “(4) INCUMBENT WORKER TRAINING PRO-
24 GRAMS.—

1 “(A) IN GENERAL.—The local board may
2 use up to 10 percent of the funds allocated to
3 the local area involved under section 133(b) to
4 pay for the Federal share of the cost of pro-
5 viding training through an incumbent worker
6 training program carried out in accordance with
7 this paragraph. The Governor or State board
8 may make recommendations to the local board
9 regarding incumbent worker training with
10 statewide impact.

11 “(B) TRAINING ACTIVITIES.—The training
12 program for incumbent workers carried out
13 under this paragraph shall be carried out by the
14 local board in conjunction with the employers or
15 groups of employers of such workers for the
16 purpose of assisting such workers in obtaining
17 the skills necessary to retain employment or
18 avert layoffs.

19 “(C) EMPLOYER SHARE REQUIRED.—

20 “(i) IN GENERAL.—Employers partici-
21 pating in the program carried out under
22 this paragraph shall be required to pay the
23 non-Federal share of the costs of providing
24 the training to incumbent workers of the
25 employers. The local board shall establish

1 the non-Federal share of such costs, which
2 may include in kind contributions. The
3 non-Federal share shall not be less than—

4 “(I) 10 percent of the costs, for
5 employers with 50 or fewer employees;

6 “(II) 25 percent of the costs, for
7 employers with more than 50 employ-
8 ees but fewer than 100 employees;
9 and

10 “(III) 50 percent of the costs, for
11 employers with 100 or more employ-
12 ees.

13 “(ii) CALCULATION OF EMPLOYER
14 SHARE.—The non-Federal share paid by
15 such an employer may include the amount
16 of the wages paid by the employer to a
17 worker while the worker is attending a
18 training program under this paragraph.”.

19 **SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.**

20 (a) STATE PERFORMANCE MEASURES.—

21 (1) INDICATORS OF PERFORMANCE.—Section
22 136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is
23 amended—

24 (A) in clause (i)—

1 (i) in the matter preceding subclause
2 (I), by striking “ and (for participants who
3 are eligible youth age 19 through 21) for
4 youth activities authorized under section
5 129”;

6 (ii) by striking subclause (III) and in-
7 serting the following:

8 “(III) increases in earnings from
9 unsubsidized employment; and”; and

10 (iii) in subclause (IV), by striking “,
11 or by participants” and all that follows
12 through “unsubsidized employment”; and

13 (B) by striking clause (ii) and inserting the
14 following:

15 “(ii) CORE INDICATORS FOR ELIGIBLE
16 YOUTH.—The core indicators of perform-
17 ance for youth activities authorized under
18 section 129 shall consist of—

19 “(I) entry into employment, edu-
20 cation or advanced training, or mili-
21 tary service;

22 “(II) attainment of secondary
23 school diplomas or their recognized
24 equivalents, and postsecondary certifi-
25 cates; and

1 “(III) literacy or numeracy
2 gains.”.

(2) ADDITIONAL INDICATORS.—Section 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to read as follows:

6 “(C) ADDITIONAL INDICATORS.—A State
7 may identify in the State plan additional indica-
8 tors for workforce investment activities under
9 this subtitle, including indicators identified in
10 collaboration with State business and industry
11 associations, with employee representatives
12 where applicable, and with local boards, to
13 measure the performance of the workforce in-
14 vestment system in serving the workforce needs
15 of business and industry in the State.”.

16 (3) LEVELS OF PERFORMANCE.—Section
17 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is
18 amended—

19 (A) in clause (iii)—

20 (i) in the heading, by striking “FOR
21 FIRST 3 YEARS”;

(ii) by striking “and the customer satisfaction indicator of performance, for the first 3” and inserting “described in clauses (i) and (ii) of paragraph (2)(A) and the

1 customer satisfaction indicator of perform-
2 ance, for the first 2”; and

3 (iii) by inserting at the end the fol-
4 lowing: “Agreements on levels of perform-
5 ance for each of the core indicators of per-
6 formance for the third and fourth program
7 years covered by the State plan shall be
8 reached prior to the beginning of the third
9 program year covered by the State plan,
10 and incorporated as a modification to the
11 State plan.”;

12 (B) in clause (iv)—

13 (i) in subclause (II)—

14 (I) by striking “taking into ac-
15 count” and inserting “and shall en-
16 sure that the levels involved are ad-
17 justed, using objective statistical
18 methods, based on”;

19 (II) by inserting “(such as dif-
20 ferences in unemployment rates and
21 job losses or gains in particular indus-
22 tries)” after “economic conditions”;

23 (III) by inserting “(such as indi-
24 cators of poor work history, lack of
25 work experience, educational or occu-

1 pational skills attainment, dislocation
2 from high-wage and benefit employ-
3 ment, low levels of literacy or English
4 proficiency, disability status, home-
5 lessness, and welfare dependency)”
6 after “program”; and

7 (IV) by striking “and” at the
8 end;

9 (ii) in subclause (III), by striking the
10 period and inserting “; and”; and

11 (iii) by adding at the end the fol-
12 lowing:

13 “(IV) the extent to which the lev-
14 els involved will assist the State in
15 meeting the national goals described
16 in clause (v).”;

17 (C) by striking clause (v) and inserting the
18 following:

19 “(v) ESTABLISHMENT OF NATIONAL
20 GOALS.—In order to promote enhanced
21 performance outcomes on the performance
22 measures and to facilitate the process of
23 reaching agreements with the States under
24 clause (iii) and to measure systemwide per-
25 formance for the one-stop delivery systems

1 of the States, the Secretary shall establish
2 long-term national goals for the adjusted
3 levels of performance for that systemwide
4 performance to be achieved by the pro-
5 grams assisted under chapters 4 and 5 on
6 the core indicators of performance de-
7 scribed in subparagraphs (A) and (B) of
8 subsection (b)(2). Such goals shall be es-
9 tablished in accordance with the Govern-
10 ment Performance and Results Act of
11 1993 in consultation with the States and
12 other appropriate parties.”; and

13 (D) in clause (vi)—

14 (i) by striking “or (v)”;

15 (ii) by striking “with the representa-
16 tives described in subsection (i)” and in-
17 serting “with the States and other inter-
18 ested parties”.

19 (b) LOCAL PERFORMANCE MEASURES.—Section
20 136(c)(3) (29 U.S.C 2871(c)(3))—

21 (1) by striking “shall take into account” and
22 inserting “shall ensure that the levels involved are
23 adjusted, using objective statistical methods, based
24 on”;

1 (2) by inserting “(characteristics such as unem-
2 ployment rates and job losses or gains in particular
3 industries)” after “economic”; and

4 (3) by inserting “(characteristics such as indi-
5 cators of poor work history, lack of work experience,
6 educational and occupational skills attainment, dis-
7 location from high-wage and benefit employment,
8 low levels of literacy or English proficiency, dis-
9 ability status, homelessness, and welfare depend-
10 ency)” after “demographic”.

11 (c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is
12 amended—

13 (1) in paragraph (1), by adding at the end the
14 following: “In the case of a State or local area that
15 chooses to expend funds under section
16 134(a)(3)(A)(i) or 134(e)(1)(A)(xi), respectively, the
17 report also shall include the amount of such funds
18 so expended and the percentage that such funds are
19 of the funds available under section 134;

20 (2) in paragraph (2)—

21 (A) in subparagraph (E)—

22 (i) by striking “(excluding partici-
23 pants who received only self-service and in-
24 formational activities)”; and

1 (ii) by striking “and” after the semi-
2 colon;

3 (B) in subparagraph (F)—

4 (i) by inserting “noncustodial parents
5 with child support obligations, homeless in-
6 dividuals,” after “displaced homemakers,”;
7 and

8 (ii) by striking the period and insert-
9 ing a semicolon; and

10 (C) by adding at the end the following:

11 “(G) the number of participants served
12 and the cost per participant; and

13 “(H) the amount of adult and dislocated
14 worker funds spent on—

15 “(i) core, intensive, and training serv-
16 ices, respectively; and

17 “(ii) services provided under section
18 134(a)(3)(A)(i) or 134(e)(1)(A)(iii), if ap-
19 plicable.”; and

20 (3) by adding at the end the following:

21 “(4) DATA VALIDATION.—In preparing the re-
22 ports described in this subsection, the States shall
23 establish procedures, consistent with guidelines
24 issued by the Secretary, to ensure that the informa-
25 tion contained in the reports is valid and reliable.”.

1 (d) EVALUATION OF STATE PROGRAMS.—Section
2 136(e)(3) is amended by inserting “, including informa-
3 tion on promoting self-sufficiency and comparable pay be-
4 tween men and women” after “employers”.

5 (e) SANCTIONS FOR STATE.—Section 136(g) is
6 amended—

7 (1) in paragraph (1)(B), by striking “If such
8 failure continues for a second consecutive year” and
9 inserting “If a State performs at less than 80 per-
10 cent of the adjusted level of performance for core in-
11 dicators of performance described in subsection
12 (b)(2)(A) for 2 consecutive years”; and

13 (2) in paragraph (2), by striking “section 503”
14 and inserting “subsection (i)(1)”.

15 (f) SANCTIONS FOR LOCAL AREA.—Section
16 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

17 (1) in the matter preceding clause (i), by strik-
18 ing “If such failure continues for a second consecu-
19 tive year” and inserting “If a local area performs at
20 less than 80 percent of the adjusted level of per-
21 formance for core indicators of performance de-
22 scribed in subsection (b)(2)(A) for 2 consecutive
23 years”;

24 (2) in clause (ii), by striking “or” after the
25 semicolon;

1 (3) by redesignating clause (iii) as clause (iv);

2 and

3 (4) by inserting after clause (ii) the following:

4 “(iii) redesignate the local area in ac-
5 cordance with section 116(a)(2); or”.

6 (g) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C.
7 2871(i)) is amended to read as follows:

8 “(i) INCENTIVE GRANTS FOR LOCAL AREAS.—

9 “(1) IN GENERAL.—From funds reserved under
10 sections 128(a) and 133(a)(1), the Governor in-
11 volved shall award incentive grants to local areas for
12 exemplary performance in carrying out programs
13 under chapters 4 and 5.

14 “(2) BASIS.—The Governor shall award the
15 grants on the basis—

“(A) that the local areas met or exceeded the performance measures established under subsection (c)(2) relating to indicators described in subsection (b)(3)(A)(iii);

20 “(B) of exemplary performance of the local
21 areas in serving hard-to-serve populations; or

22 “(C) of States and local areas that are
23 effectively—

24 “(i) coordinating multiple systems
25 into a comprehensive workforce develop-

1 ment system, including coordination of em-
2 ployment services under the Wagner-
3 Peyser Act and core activities under this
4 title as well as partner programs described
5 in section 121;

6 “(ii) expanding access to training, in-
7 cluding through increased leveraging of re-
8 sources other than those funded through
9 programs under this title; or

10 “(iii) implementing innovative busi-
11 ness and economic development initiatives.

12 “(3) USE OF FUNDS.—The funds awarded to a
13 local area under this paragraph may be used to
14 carry out activities authorized for local areas under
15 chapters 4 and 5, and such demonstration projects
16 or innovative programs for hard-to-serve populations
17 as may be approved by the Governor.”.

18 (g) USE OF CORE MEASURES IN OTHER DEPART-
19 MENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C.
20 2871) is amended by adding at the end the following:

21 “(j) USE OF CORE INDICATORS FOR OTHER PRO-
22 GRAMS.—In addition to the programs carried out under
23 chapters 4 and 5, and consistent with the requirements
24 of the applicable authorizing laws, the Secretary shall use
25 the indicators of performance described in subparagraphs

1 (A) and (B) of subsection (b)(2) to assess the effectiveness
2 of the programs described in clauses (i), (ii), and (vi) of
3 section 121(b)(1)(B) that are carried out by the Sec-
4 retary.”.

5 (h) PREVIOUS DEFINITIONS OF CORE INDICATORS
6 AND INCENTIVE GRANTS.—Sections 502 and 503 (29
7 U.S.C. 9272 and 9273) are repealed.

8 **SEC. 123. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C.
10 2872(a)) is amended by striking “such sums as may be
11 necessary for each of fiscal years 1999 through 2003” and
12 inserting “ such sums as may be necessary for each of
13 fiscal years 2004 through 2009”.

14 (b) ADULT EMPLOYMENT AND TRAINING ACTIVI-
15 TIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by
16 striking “such sums as may be necessary for each of fiscal
17 years 1999 through 2003” and inserting “ such sums as
18 may be necessary for each of fiscal years 2004 through
19 2009”.

20 (c) DISLOCATED WORKER EMPLOYMENT AND
21 TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C.
22 2872(c)) is amended by striking “such sums as may be
23 necessary for each of fiscal years 1999 through 2003” and
24 inserting “such sums as may be necessary for each of fis-
25 cal years 2004 through 2009”.

Subtitle C—Job Corps

2 SEC. 131. JOB CORPS.

3 (a) ELIGIBILITY.—Section 144(3) (29 U.S.C.
4 2884(3)) is amended by adding at the end the following:

5 “(F) A child eligible for assistance under
6 section 477 of the Social Security Act.”.

7 (b) IMPLEMENTATION OF STANDARDS AND PROCE-
8 DURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is
9 amended—

10 (1) in subparagraph (B), by striking “and”
11 after the semicolon;

12 (2) in subparagraph (C), by striking the period
13 and inserting “; and”; and

14 (3) by adding at the end the following:

15 “(D) child welfare agencies that are re-
16 sponsible for children in foster care and chil-
17 dren eligible for assistance under section 477 of
18 the Social Security Act.”.

19 (c) INDUSTRY COUNCILS.—Section 154(b) (29
20 U.S.C. 2894(b)) is amended—

21 (1) in paragraph (1)(A), by striking “local and
22 distant”; and

23 (2) by adding at the end the following:

24 “(3) EMPLOYERS OUTSIDE OF LOCAL AREA.—
25 The industry council may include, or otherwise pro-

1 vide for consultation with, employers from outside
2 the local area who are likely to hire a significant
3 number of enrollees from the Job Corps center.

4 “(4) SPECIAL RULE FOR SINGLE LOCAL AREA
5 STATES.—In the case of a single local area State
6 designated under section 116(b), the industry coun-
7 cil shall include a representative of the State
8 Board.”.

9 (d) INDICATORS OF PERFORMANCE.—Section 159
10 (29 U.S.C. 2983) is amended—

11 (1) in subsection (c)—

12 (A) by striking paragraph (1) and insert-
13 ing the following:

14 “(1) PERFORMANCE INDICATORS.—The Sec-
15 retary shall annually establish expected levels of per-
16 formance for Job Corps centers and the Job Corps
17 program relating to each of the core indicators of
18 performance for youth activities identified in section
19 136(b)(2)(A)(ii).”;

20 (B) in paragraph (2), by striking “meas-
21 ures” each place it appears and inserting “indi-
22 cators”; and

23 (C) in paragraph (3)—

24 (i) in the first sentence, by striking
25 “core performance measures, as compared

1 to the expected performance level for each
2 performance measure” and inserting “per-
3 formance indicators described in paragraph
4 (1), as compared to the expected level of
5 performance established under paragraph
6 (1) for each performance measure”; and
7 (ii) in the second sentence, by striking
8 “measures” each place it appears and in-
9 serting “indicators”; and
10 (2) in subsection (f)(2), in the first sentence, by
11 striking “core performance measures” and inserting
12 “indicators of performance”.

13 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
14 161 (29 U.S.C. 2901) is amended by striking “1999
15 through 2003” and inserting “2004 through 2009”.

16 **Subtitle D—National Programs**

17 **SEC. 141. NATIVE AMERICAN PROGRAMS.**

18 (a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29
19 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

20 “(C) DUTIES.—The Council shall advise
21 the Secretary on the operation and administra-
22 tion of the programs assisted under this sec-
23 tion, including the selection of the individual
24 appointed as head of the unit established under
25 paragraph (1).”.

1 (b) ASSISTANCE TO UNIQUE NATIVE POPULATIONS
2 IN ALASKA AND HAWAII.—Section 166(j) (29 U.S.C.
3 2911(j)) is amended to read as follows:

4 “(j) ASSISTANCE TO UNIQUE NATIVE POPULATIONS
5 IN ALASKA AND HAWAII.—

6 “(1) IN GENERAL.—Notwithstanding any other
7 provision of law, the Secretary is authorized to pro-
8 vide assistance to unique native populations who re-
9 side in Alaska or Hawaii to improve job training and
10 workforce investment activities.

11 “(2) AUTHORIZATION OF APPROPRIATIONS.—
12 There are authorized to be appropriated to carry out
13 this subsection such sums as may be necessary for
14 fiscal year 2004.”.

15 (c) PERFORMANCE INDICATORS.—Section 166 (29
16 U.S.C. 2911 is amended by adding at the end the fol-
17 lowing’:

18 “(c) PERFORMANCE INDICATORS.—

19 “(1) DEVELOPMENT OF INDICATORS.—The
20 Secretary, in consultation with the Native American
21 Employment and Training Council, shall develop a
22 set of performance indicators and standards which
23 shall be applicable to programs under this section.

1 “(2) SPECIAL CONSIDERATIONS.—Such per-
2 formance indicators and standards shall take into
3 account—

4 “(A) the purposes of the programs under
5 this section as described in paragraph (a)(1);

6 “(B) the needs of the groups served by this
7 section, including the differences in needs
8 among such groups in various geographic serv-
9 ice areas; and

10 “(C) the economic circumstances of the
11 communities served, including differences in cir-
12 cumstances among various geographic service
13 areas.”.

14 **SEC. 142. MIGRANT AND SEASONAL FARMWORKER PRO-**
15 **GRAMS.**

16 Section 167(d) (29 U.S.C. 2912(d)) is amended by
17 inserting “(including permanent housing)” after “hous-
18 ing”.

19 **SEC. 143. VETERANS’ WORKFORCE INVESTMENT PRO-**
20 **GRAMS.**

21 Section 168(a)(3)(C) (29 U.S.C. 2913(a)(3)(C)) is
22 amended by striking “section 134(c)” and inserting “sec-
23 tion 121(e)”.

1 **SEC. 144. YOUTH CHALLENGE GRANTS.**

2 Section 169 (29 U.S.C. 2914) is amended to read as
3 follows:

4 **“SEC. 169. YOUTH CHALLENGE GRANTS.**

5 “(a) IN GENERAL.—Of the amounts reserved by the
6 Secretary under section 127(a)(1)(A) for a fiscal year—

7 “(1) the Secretary shall use not less than 80
8 percent to award competitive grants under sub-
9 section (b); and

10 “(2) the Secretary may use not more than 20
11 percent to award discretionary grants under sub-
12 section (c).

13 “(b) COMPETITIVE GRANTS TO STATES AND LOCAL
14 AREAS.—

15 “(1) ESTABLISHMENT.—From the funds de-
16 scribed in subsection (a)(1), the Secretary shall
17 award competitive grants to eligible entities to carry
18 out activities authorized under this subsection to as-
19 sist eligible youth in acquiring the skills, credentials,
20 and employment experience necessary to achieve the
21 performance outcomes for youth described in section
22 136

23 “(2) ELIGIBLE ENTITY.—In this subsection, the
24 term ‘eligible entity’ means—

25 “(A) a State or consortium of States;

1 “(B) a local board or consortium of local
2 boards;

3 “(C) a recipient of a grant under section
4 166 (relating to Native American programs); or

5 “(D) a public or private entity (including
6 a consortium of such entities) with expertise in
7 the provision of youth activities, applying in
8 partnership with a local board or consortium of
9 local boards.

10 “(3) APPLICATIONS.—To be eligible to receive a
11 grant under this subsection, an eligible entity shall
12 submit an application to the Secretary at such time,
13 in such manner, and containing such information as
14 the Secretary may require, including—

15 “(A) a description of the activities the eli-
16 gible entity will provide to eligible youth under
17 this subsection, and how the eligible entity will
18 collaborate with State and local workforce in-
19 vestments systems established under this title
20 in the provision of such activities;

21 “(B) a description of the programs of dem-
22 onstrated effectiveness on which the provision
23 of the activities under subparagraph (A) are
24 based, and a description of how such activities

1 will expand the base of knowledge relating to
2 the provision of activities for youth;

3 “(C) a description of the State, local, and
4 private resources that will be leveraged to pro-
5 vide the activities described under subparagraph
6 (A) in addition to funds provided under this
7 subsection, and a description of the extent of
8 the involvement of employers in the activities;

9 “(D) the levels of performance the eligible
10 entity expects to achieve with respect to the in-
11 dicators of performance for youth specified in
12 section 136(b)(2)(A)(ii); and

13 “(E) an assurance that the State board of
14 each State in which the proposed activities are
15 to be carried out had the opportunity to review
16 the application, and including the comments, if
17 any, of the affected State boards on the appli-
18 cation, except that this subparagraph shall not
19 apply to an eligible entity described in para-
20 graph (2)(C).

21 “(4) FACTORS FOR AWARD.—

22 “(A) IN GENERAL.—In awarding grants
23 under this subsection the Secretary shall
24 consider—

1 “(i) the quality of the proposed activi-
2 ties;

3 “(ii) the goals to be achieved;

4 “(iii) the likelihood of successful im-
5 plementation;

6 “(iv) the extent to which the proposed
7 activities are based on proven strategies or
8 the extent to which the proposed activities
9 will expand the base of knowledge relating
10 to the provision of activities for youth;

11 “(v) the extent of collaboration with
12 the State and local workforce investment
13 systems in carrying out the proposed ac-
14 tivities;

15 “(vi) the extent of employer involve-
16 ment in the proposed activities;

17 “(vii) whether there are other Federal
18 and non-Federal funds available for similar
19 activities to the proposed activities, and the
20 additional State, local, and private re-
21 sources that will be provided to carry out
22 the proposed activities; and

23 “(viii) the quality of proposed activi-
24 ties in meeting the needs of the youth to
25 be served.

1 “(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this sub-
2 TION.—In awarding grants under this sub-
3 section the Secretary shall ensure an equitable
4 distribution of such grants across geographi-
5 cally diverse areas.

6 “(5) USE OF FUNDS.—

7 “(A) IN GENERAL.—An eligible entity that
8 receives a grant under this subsection shall use
9 the grant funds to carry out activities that are
10 designed to assist youth in acquiring the skills,
11 credentials, and employment experience that are
12 necessary to succeed in the labor market, in-
13 cluding the activities identified in section 129.

14 “(B) ACTIVITIES.—The activities carried
15 out pursuant to subparagraph (A) may include
16 the following:

17 “(i) Training and internships for out-
18 of-school youth in sectors of the economy
19 experiencing, or projected to experience,
20 high growth.

21 “(ii) Dropout prevention activities for
22 in-school youth.

23 “(iii) Activities designed to assist spe-
24 cial youth populations, such as court-in-
25 volved youth and youth with disabilities.

1 “(iv) Activities combining remediation
2 of academic skills, work readiness training,
3 and work experience, and including link-
4 ages to postsecondary education, appren-
5 ticeships, and career-ladder employment.

6 “(v) Activities, including work experi-
7 ence, paid internships, and entrepreneurial
8 training, in areas where there is a migra-
9 tion of youth out of the areas.

10 “(C) PARTICIPANT ELIGIBILITY.—Youth
11 who are 14 years of age through 21 years of
12 age, as of the time the eligibility determination
13 is made, may be eligible to participate in activi-
14 ties carried out under this subsection.

15 “(6) GRANT PERIOD.—The Secretary shall
16 make a grant under this subsection for a period of
17 2 years and may renew the grant, if the eligible enti-
18 ty has performed successfully, for a period of not
19 more than 3 succeeding years.

20 “(7) MATCHING FUNDS REQUIRED.—The Sec-
21 retary shall require that an eligible entity that re-
22 ceives a grant under this subsection provide non-
23 Federal matching funds in an amount to be deter-
24 mined by the Secretary that is not less than 10 per-
25 cent of the cost of activities carried out under the

1 grant. The Secretary may require that such non-
2 Federal matching funds be provided in cash re-
3 sources, noncash resources, or a combination of cash
4 and noncash resources.

5 “(8) EVALUATION.—The Secretary shall reserve
6 not more than 3 percent of the funds described in
7 subsection (a)(1) to provide technical assistance to,
8 and conduct evaluations of (using appropriate tech-
9 niques as described in section 172(c)), the projects
10 funded under this subsection.

11 “(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVI-
12 TIES.—

13 “(1) IN GENERAL.—From the funds described
14 in subsection (a)(2), the Secretary may award
15 grants to eligible entities to provide activities that
16 will assist youth in preparing for, and entering and
17 retaining, employment.

18 “(2) ELIGIBLE ENTITY.—In this subsection, the
19 term ‘eligible entity’ means a public or private entity
20 that the Secretary determines would effectively carry
21 out activities relating to youth under this subsection.

22 “(3) EQUITABLE DISTRIBUTION TO RURAL
23 AREAS.—In awarding grants under this subsection
24 the Secretary shall ensure an equitable distribution
25 of such grants to rural areas.

1 “(4) APPLICATIONS.—To be eligible to receive a
2 grant under this subsection, an eligible entity shall
3 submit an application to the Secretary at such time,
4 in such manner, and containing such information as
5 the Secretary may require.

6 “(5) USE OF FUNDS.—

7 “(A) IN GENERAL.—An eligible entity that
8 receives a grant under this subsection shall use
9 the grant funds to carry out—

10 “(i) activities that will assist youth in
11 preparing for, and entering and retaining,
12 employment, including the activities de-
13 scribed in section 129 for out-of-school
14 youth;

15 “(ii) activities designed to assist in-
16 school youth to stay in school and gain
17 work experience;

18 “(iii) activities designed to assist
19 youth in economically distressed areas; and

20 “(iv) such other activities that the
21 Secretary determines are appropriate to
22 ensure that youth entering the workforce
23 have the skills needed by employers.

24 “(B) PARTICIPANT ELIGIBILITY.—Youth
25 who are 14 years of age through 21 years of

1 age, as of the time the eligibility determination
2 is made, may be eligible to participate in activi-
3 ties carried out under this subsection.

4 “(6) MATCHING FUNDS REQUIRED.—The Sec-
5 retary shall require that an eligible entity that re-
6 ceives a grant under this subsection provide non-
7 Federal matching funds in an amount to be deter-
8 mined by the Secretary that is not less than 10 per-
9 cent of the cost of activities carried out under the
10 grant. The Secretary may require that such non-
11 Federal matching funds be provided in cash re-
12 sources, noncash resources, or a combination of cash
13 and noncash resources.

14 “(7) EVALUATIONS.—The Secretary may re-
15 quire that an eligible entity that receives a grant
16 under this subsection participate in an evaluation of
17 activities carried out under this subsection, including
18 an evaluation using the techniques described in sec-
19 tion 172(c).”.

20 **SEC. 145. TECHNICAL ASSISTANCE.**

21 Section 170 (29 U.S.C. 2915) is amended—

22 (1) in subsection (a)(1), by—

23 (A) inserting “the training of staff pro-
24 viding rapid response services, the training of
25 other staff of recipients of funds under this

1 title, the training of members of State boards
2 and local boards, peer review activities under
3 this title,” after “localities,”; and

4 (B) striking “from carrying out activities”
5 and all that follows through the period and in-
6 serting “to implement the amendments made by
7 the Workforce Investment Act Amendments of
8 2003.”;

9 (2) in subsection (a)(2), by adding at the end
10 the following: “The Secretary shall also hire staff
11 qualified to provide the assistance described in para-
12 graph (1).”;

13 (3) in subsection (b)(2), by striking the last
14 sentence and inserting “Such projects shall be ad-
15 ministered by the Employment and Training Admin-
16 istration.”; and

17 (4) by adding at the end the following:

18 “(c) BEST PRACTICES COORDINATION.—The Sec-
19 retary shall—

20 “(1) establish a system through which States
21 may share information regarding best practices with
22 regard to the operation of workforce investment ac-
23 tivities under this Act;

1 “(2) evaluate and disseminate information re-
2 garding best practices and identify knowledge gaps;
3 and

4 “(3) commission research under section 172 to
5 address knowledge gaps identified under paragraph
6 (2).”.

7 **SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
8 **SEARCH, AND MULTISTATE PROJECTS.**

9 (a) DEMONSTRATION AND PILOT PROJECTS.—Sec-
10 tion 171(b) (29 U.S.C. 2916(b)) is amended—

11 (1) in paragraph (1)—

12 (A) by striking “Under a” and inserting
13 “Consistent with the priorities specified in the”;

14 (B) by striking subparagraphs (A) through
15 (E) and inserting the following:

16 “(A) projects that assist national employ-
17 ers in connecting with the workforce investment
18 system established under this title in order to
19 facilitate the recruitment and employment of
20 needed workers for career ladder jobs and to
21 provide information to such system on skills
22 and occupations in demand;

23 “(B) projects that promote the develop-
24 ment of systems that will improve the maximum

1 effectiveness of programs carried out under this
2 title;

3 “(C) projects that focus on opportunities
4 for employment in industries and sectors of in-
5 dustries that are experiencing, or are likely to
6 experience, high rates of growth and jobs with
7 wages leading to self-sufficiency;

8 “(D) computerized, individualized, self-
9 paced training projects targeted to dislocated,
10 disadvantaged, or incumbent workers utilizing
11 equipment and curriculum designed in partner-
12 ship with industries for employment in the op-
13 erations, repair, and maintenance of high-tech
14 equipment that is used in integrated systems
15 technology;

16 “(E) projects carried out by States and
17 local areas to test innovative approaches to de-
18 livering employment-related services;”;

19 (C) in subparagraph (G), by striking
20 “and” after the semicolon; and

21 (D) by striking subparagraph (H) and in-
22 serting the following:

23 “(H) projects that provide retention grants
24 to qualified job training programs upon place-
25 ment or retention of a low-income individual

1 trained by the program in employment with a
2 single employer for a period of 1 year, if such
3 employment provides the low-income individual
4 with an annual salary that is not less than
5 twice the poverty line applicable to the indi-
6 vidual;

7 “(I) targeted innovation projects that im-
8 prove access to and delivery of employment and
9 training services, with emphasis given to
10 projects that incorporate advanced technologies
11 to facilitate the connection of individuals to the
12 information and tools they need to upgrade
13 skills;

14 “(J) projects that promote the use of dis-
15 tance learning, enabling students to take
16 courses through the use of media technology
17 such as videos, teleconferencing computers, and
18 the Internet; and

19 “(K) projects that provide comprehensive
20 education and training services, and support
21 services, in coordination with local boards, for
22 populations in targeted high poverty areas
23 where the greatest barriers to employment
24 exist, including ex-offenders, out-of-school

1 youth, and public assistance recipient popu-
2 lations.”; and

3 (2) in paragraph (2)—

4 (A) by striking subparagraph (B); and

5 (B) by redesignating subparagraph (C) as
6 subparagraph (B).

7 (b) MULTISERVICE PROJECTS.—Section
8 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to
9 read as follows:

10 “(B) STUDIES AND REPORTS.—

11 “(i) NET IMPACT STUDIES AND RE-
12 PORTS.—

13 “(I) IN GENERAL.—The Sec-
14 retary, in coordination with the Sec-
15 retary of Education, shall conduct
16 studies to determine the net impacts
17 of programs, services, and activities
18 carried out under this title.

19 “(II) REPORTS.—The Secretary
20 shall prepare and disseminate to the
21 public reports containing the results
22 of the studies conducted under sub-
23 clause (I).

24 “(ii) STUDY ON RESOURCES AVAIL-
25 ABLE TO ASSIST OUT-OF-SCHOOL

1 YOUTH.—The Secretary, in coordination
2 with the Secretary of Education, may con-
3 duct a study examining the resources avail-
4 able at the Federal, State, and local levels
5 to assist out-of-school youth in obtaining
6 the skills, credentials, and work experience
7 necessary to become successfully employed,
8 including the availability of funds provided
9 through average daily attendance and
10 other methodologies used by States and
11 local areas to distribute funds.

12 “(iii) STUDY OF INDUSTRY-BASED
13 CERTIFICATION AND CREDENTIALS.—

14 “(I) IN GENERAL.—The Sec-
15 retary shall conduct a study con-
16 cerning the role and benefits of
17 credentialing and certification to busi-
18 nesses and workers in the economy
19 and the implications of certification to
20 the services provided through the
21 workforce investment system. The
22 study may examine issues such as—

23 “(aa) the characteristics of
24 successful credentialing and cer-

1 tification systems that serve busi-
2 ness and individual needs;

3 “(bb) the relative propor-
4 tions of certificates and creden-
5 tials attained with assistance
6 from the public sector, with pri-
7 vate-sector training of new hires
8 or incumbent workers, and by in-
9 dividuals on their own initiative
10 without other assistance, respec-
11 tively;

12 “(cc) the return on human
13 capital investments from occupa-
14 tional credentials and industry-
15 based skill certifications, includ-
16 ing the extent to which acquisi-
17 tion of such credentials or certifi-
18 cates enhances outcomes such as
19 entry into employment, retention,
20 earnings (including the number
21 and amount of wage increases),
22 career advancement, and layoff
23 aversion;

24 “(dd) the implications of the
25 effects of skill certifications and

1 credentials to the types and deliv-
2 ery of services provided through
3 the workforce investment system;

4 “(ee) the role that Federal
5 and State governments play in
6 fostering the development of and
7 disseminating credentials and
8 skill standards; and

9 “(ff) the use of credentials
10 by businesses to achieve goals for
11 workforce skill upgrading and
12 greater operating efficiency.

13 “(II) REPORT TO CONGRESS.—

14 The Secretary shall prepare and sub-
15 mit to Congress a report containing
16 the results of the study conducted
17 pursuant to subclause (I). Such report
18 may include any recommendations
19 that the Secretary determines are ap-
20 propriate to include in such report re-
21 lating to promoting the acquisition of
22 industry-based certification and cre-
23 dentials, and the appropriate role of
24 the Department of Labor and the
25 workforce investment system in sup-

1 porting the needs of business and in-
2 dividuals with respect to such certifi-
3 cation and credentials.

4 “(iv) STUDY OF EFFECTIVENESS OF
5 WORKFORCE INVESTMENT SYSTEM IN
6 MEETING BUSINESS NEEDS.—

7 “(I) IN GENERAL.—Using funds
8 available to carry out this section
9 jointly with funds available to the Sec-
10 retary of Commerce and Adminis-
11 trator of the Small Business Adminis-
12 tration, the Secretary, in coordination
13 with the Secretary of Commerce and
14 the Administrator of the Small Busi-
15 ness Administration, may conduct a
16 study of the effectiveness of the work-
17 force investment system in meeting
18 the needs of business, with particular
19 attention to the needs of small busi-
20 ness, including in assisting workers to
21 obtain the skills needed to utilize
22 emerging technologies. In conducting
23 the study, the Secretary, in coordina-
24 tion with the Secretary of Commerce
25 and the Administrator of the Small

1 Business Administration, may exam-
2 ine issues such as—

3 “(aa) methods for identi-
4 fying the workforce needs of
5 businesses and how the require-
6 ments of small businesses may
7 differ from larger establishments;

8 “(bb) business satisfaction
9 with the workforce investment
10 system, with particular emphasis
11 on the satisfaction of small busi-
12 nesses;

13 “(cc) the extent to which
14 business is engaged as a collabo-
15 rative partner in the workforce
16 investment system, including the
17 extent of business involvement as
18 members of State boards and
19 local boards, and the extent to
20 which such boards and one-stop
21 centers effectively collaborate
22 with business and industry lead-
23 ers in developing workforce in-
24 vestment strategies, including

1 strategies to identify high growth
2 opportunities;

3 “(dd) ways in which the
4 workforce investment system ad-
5 dresses changing skill needs of
6 business that result from changes
7 in technology and work processes;

8 “(ee) promising practices for
9 serving small businesses;

10 “(ff) the extent and manner
11 in which the workforce invest-
12 ment system uses technology to
13 serve business and individual
14 needs, and how uses of tech-
15 nology could enhance efficiency
16 and effectiveness in providing
17 services; and

18 “(gg) the extent to which
19 various segments of the labor
20 force have access to and utilize
21 technology to locate job openings
22 and apply for jobs, and charac-
23 teristics of individuals utilizing
24 such technology (such as age,
25 gender, race or ethnicity, indus-

1 try sector, and occupational
2 groups).

3 “(II) REPORT TO CONGRESS.—

4 The Secretary shall prepare and sub-
5 mit to Congress a report containing
6 the results of the study described in
7 clause (I). Such report may include
8 any recommendations the Secretary
9 determines are appropriate to include
10 in such report, including ways to en-
11 hance the effectiveness of the work-
12 force investment system in meeting
13 the needs of business for skilled work-
14 ers.”.

15 (c) NEXT GENERATION TECHNOLOGIES.—Section
16 171 (29 U.S.C. 2916) is amended further by adding at
17 the end the following:

18 “(e) SKILL CERTIFICATION PILOT PROJECTS.—

19 “(1) PILOT PROJECTS.—In accordance with
20 subsection (b) and from funds appropriated pursu-
21 ant to paragraph (10), the Secretary of Labor shall
22 establish and carry out not more than 10 pilot
23 projects to establish a system of industry-validated
24 national certifications of skills, including—

1 “(A) not more than 8 national certifi-
2 cations of skills in high-technology industries,
3 including biotechnology, telecommunications,
4 highly automated manufacturing (including
5 semiconductors), nanotechnology, and energy
6 technology; and

7 “(B) not more than 2 cross-disciplinary
8 national certifications of skills in homeland se-
9 curity technology.

10 “(2) GRANTS TO ELIGIBLE ENTITIES.—In car-
11 rying out the pilot projects, the Secretary of Labor
12 shall make grants to eligible entities, for periods of
13 not less than 36 months and not more than 48
14 months, to carry out the authorized activities de-
15 scribed in paragraph (7) with respect to the certifi-
16 cations described in paragraph (1). In awarding
17 grants under this subsection the Secretary of Labor
18 shall take into consideration awarding grants to eli-
19 gible entities from diverse geographic areas, includ-
20 ing rural areas.

21 “(3) ELIGIBLE ENTITIES.—

22 “(A) DEFINITION OF ELIGIBLE ENTITY.—
23 In this subsection the term ‘eligible entity’
24 means an entity that shall work in conjunction

1 with a local board and shall include as a prin-
2 cipal participant one or more of the following:

3 “(i) An educational institution, includ-
4 ing a 2- or 4-year college, or a technical or
5 vocational school.

6 “(ii) An advanced technology edu-
7 cation center.

8 “(iii) A local workforce investment
9 board.

10 “(iv) A representative of a business in
11 a target industry for the certification in-
12 volved.

13 “(v) A representative of an industry
14 association, labor organization, or commu-
15 nity development organization.

16 “(B) HISTORY OF DEMONSTRATED CAPA-
17 BILITY REQUIRED.—To be eligible to receive a
18 grant under this subsection, an eligible entity
19 shall have a history of demonstrated capability
20 for effective collaboration with industry on
21 workforce development activities that is con-
22 sistent with the goals of this Act.

23 “(4) APPLICATIONS.—To be eligible to receive a
24 grant under this subsection, an eligible entity shall
25 submit an application to the Secretary of Labor at

1 such time, in such manner, and containing such in-
2 formation as the Secretary may require.

“(5) CRITERIA.—The Secretary of Labor shall establish criteria, consistent with paragraph (6), for awarding grants under this subsection.

6 “(6) PRIORITY.—In selecting eligible entities to
7 receive grants under this subsection, the Secretary
8 of Labor shall give priority to eligible entities that
9 demonstrate the availability of and ability to provide
10 matching funds from industry or nonprofit sources.
11 Such matching funds may be provided in cash or in
12 kind.

13 “(7) AUTHORIZED ACTIVITIES.—

14 “(A) IN GENERAL.—An eligible entity that
15 receives a grant under this subsection shall use
16 the funds made available through the grant—

17 “(i) to facilitate the establishment of
18 certification requirements for a certifi-
19 cation described in paragraph (1) for an
20 industry;

“(ii) to develop and initiate a certification program that includes preparatory courses, course materials, procedures, and examinations, for the certification; and

1 “(iii) to collect and analyze data re-
2 lated to the program at the program’s
3 completion, and to identify best practices
4 (consistent with paragraph (8)) that may
5 be used by local and State workforce in-
6 vestment boards in the future.

7 “(B) BASIS FOR REQUIREMENTS.—The
8 certification requirements shall be based on ap-
9 plicable skill standards for the industry involved
10 that have been developed by or linked to na-
11 tional centers of excellence under the National
12 Science Foundation’s Advanced Technological
13 Education Program. The requirements shall re-
14 quire an individual to demonstrate an identifi-
15 able set of competencies relevant to the industry
16 in order to receive certification. The require-
17 ments shall be designed to provide evidence of
18 a transferable skill set that allows flexibility and
19 mobility of workers within a high technology in-
20 dustry.

21 “(C) RELATIONSHIP TO TRAINING AND
22 EDUCATION PROGRAMS.—The eligible entity
23 shall ensure that—

24 “(i) a training and education program
25 related to competencies for the industry in-

1 volved, that is flexible in mode and time-
2 frame for delivery and that meets the
3 needs of those seeking the certification, is
4 offered; and

5 “(ii) the certification program is of-
6 fered at the completion of the training and
7 education program.

8 “(D) RELATIONSHIP TO THE ASSOCIATE
9 DEGREE.—The eligible entity shall ensure that
10 the certification program is consistent with the
11 requirements for a 2-year associate degree.

12 “(E) AVAILABILITY.—The eligible entity
13 shall ensure that the certification program is
14 open to students pursuing associate degrees,
15 employed workers, and displaced workers.

16 “(8) CONSULTATION.—The Secretary of Labor
17 shall consult with the Director of the National
18 Science Foundation to ensure that the pilot projects
19 build on the expertise and information about best
20 practices gained through the implementation of the
21 National Science Foundation’s Advanced Techno-
22 logical Education Program.

23 “(9) CORE COMPONENTS; GUIDELINES; RE-
24 PORTS.—After collecting and analyzing the data ob-

1 tained from the pilot programs, the Secretary of
2 Labor shall—

3 “(A) establish the core components of a
4 model high-technology certification program;

5 “(B) establish guidelines to assure develop-
6 ment of a uniform set of standards and policies
7 for such programs;

8 “(C) submit and prepare a report on the
9 pilot projects to the Committee on Health, Edu-
10 cation, Labor, and Pensions of the Senate and
11 the Committee on Education and the Workforce
12 of the House of Representatives; and

13 “(D) make available to the public both the
14 data and the report.

15 “(10) AUTHORIZATION OF APPROPRIATIONS.—

16 In addition to amounts authorized to be appro-
17 priated under section 174(b), there is authorized to
18 be appropriated \$30,000,000 for fiscal year 2004 to
19 carry out this subsection.”.

20 (d) INTEGRATED WORKFORCE TRAINING PROGRAMS
21 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

22 Section 171 (29 U.S.C. 2916) is amended further by add-
23 ing at the end the following:

24 “(f) INTEGRATED WORKFORCE TRAINING PROGRAMS
25 FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

1 “(1) DEFINITIONS.—In this subsection:

2 “(A) INTEGRATED WORKFORCE TRAIN-
3 ING.—The term ‘integrated workforce training’
4 means training that integrates occupational
5 skills training with language acquisition.

6 “(B) SECRETARY.—The term ‘Secretary’
7 means the Secretary of Labor in consultation
8 with the Secretary of Education.

9 “(2) DEMONSTRATION PROJECT.—In accord-
10 ance with subsection (b) and from funds appro-
11 priated pursuant to paragraph (11), the Secretary
12 shall establish and implement a national demonstra-
13 tion project designed to both analyze and provide
14 data on workforce training programs that integrate
15 English language acquisition and occupational train-
16 ing.

17 “(3) GRANTS.—

18 “(A) IN GENERAL.—In carrying out the
19 demonstration project, the Secretary shall make
20 not less than 10 grants, on a competitive basis,
21 to eligible entities to provide the integrated
22 workforce training programs. In awarding
23 grants under this subsection the Secretary shall
24 take into consideration awarding grants to eligi-

1 ble entities from diverse geographic areas, in-
2 cluding rural areas.

3 “(B) PERIODS.—The Secretary shall make
4 the grants for periods of not less than 24
5 months and not more than 48 months.

6 “(4) ELIGIBLE ENTITIES.—

7 “(A) IN GENERAL.—To be eligible to re-
8 ceive a grant under this subsection, an eligible
9 entity shall work in conjunction with a local
10 board and shall include as a principal partici-
11 pant one or more of the following:

12 “(i) An employer or employer associa-
13 tion.

14 “(ii) A nonprofit provider of English
15 language instruction.

16 “(iii) A provider of occupational or
17 skills training.

18 “(iv) A community-based organiza-
19 tion.

20 “(v) An educational institution, in-
21 cluding a 2- or 4-year college, or a tech-
22 nical or vocational school.

23 “(vi) A labor organization.

24 “(vii) A local board.

1 “(B) EXPERTISE.—To be eligible to re-
2 ceive a grant under this subsection, an eligible
3 entity shall have proven expertise in—

4 “(i) serving individuals with limited
5 English proficiency, including individuals
6 with lower levels of oral and written
7 English; and

8 “(ii) providing workforce programs
9 with training and English language in-
10 struction.

11 “(5) APPLICATIONS.—

12 “(A) IN GENERAL.—To be eligible to re-
13 ceive a grant under this subsection, an eligible
14 entity shall submit an application to the Sec-
15 retary at such time, in such manner, and con-
16 taining such information as the Secretary may
17 require.

18 “(B) CONTENTS.—Each application sub-
19 mitted under subparagraph (A) shall—

20 “(i) contain information, including ca-
21 pability statements, that demonstrates that
22 the eligible entity has the expertise de-
23 scribed in paragraph (4)(B); and

24 “(ii) include an assurance that the
25 program to be assisted shall—

1 “(I) establish a generalized adult
2 bilingual workforce training and edu-
3 cation model that integrates English
4 language acquisition and occupational
5 training, and incorporates the unique
6 linguistic and cultural factors of the
7 participants;

8 “(II) establish a framework by
9 which the employer, employee, and
10 other relevant members of the eligible
11 entity can create a career development
12 and training plan that assists both the
13 employer and the employee to meet
14 their long-term needs;

15 “(III) ensure that this framework
16 takes into consideration the knowl-
17 edge, skills, and abilities of the em-
18 ployee with respect to both the cur-
19 rent and economic conditions of the
20 employer and future labor market
21 conditions relevant to the local area;
22 and

23 “(IV) establish identifiable meas-
24 ures so that the progress of the em-
25 ployee and employer and the relative

1 efficacy of the program can be evalu-
2 ated and best practices identified.

3 “(6) CRITERIA.—The Secretary of Labor shall
4 establish criteria for awarding grants under this
5 subsection.

6 “(7) INTEGRATED WORKFORCE TRAINING PRO-
7 GRAMS.—

8 “(A) PROGRAM COMPONENTS.—

9 “(i) REQUIRED COMPONENTS.—Each
10 program that receives funding under this
11 subsection shall—

12 “(I) test an individual’s English
13 language proficiency levels to assess
14 oral and literacy gains from the begin-
15 ning and throughout program enroll-
16 ment;

17 “(II) combine training specific to
18 a particular occupation or occupa-
19 tional cluster, with—

20 “(aa) English language in-
21 struction, such as instruction
22 through English as a Second
23 Language program, or English
24 for Speakers of Other Lan-
25 guages;

1 “(bb) basic skills instruc-
2 tion; and

3 “(cc) supportive services;

4 “(III) effectively integrate public
5 and private sector entities, including
6 the local workforce investment system
7 and its functions, to achieve the goals
8 of the program; and

9 “(IV) require matching or in-
10 kind resources from private and non-
11 profit entities.

12 “(ii) PERMISSIBLE COMPONENTS.—

13 The program may offer other services, as
14 necessary to promote successful participa-
15 tion and completion, including work-based
16 learning, substance abuse treatment, and
17 mental health services.

18 “(B) GOAL.—Each program that receives
19 funding under this subsection shall be designed
20 to prepare limited English proficient adults for
21 and place such adults in employment in growing
22 industries with identifiable career ladder paths.

23 “(C) PROGRAM TYPES.—In selecting pro-
24 grams to receive funding under this subsection,

1 the Secretary shall select programs that meet 1
2 or more of the following criteria:

3 “(i) A program that—

4 “(I) serves unemployed, limited
5 English proficient individuals with sig-
6 nificant work experience or substan-
7 tial education but persistently low
8 wages; and

9 “(II) aims to prepare such indi-
10 viduals for and place such individuals
11 in higher paying employment, defined
12 for purposes of this subparagraph as
13 employment that provides at least 75
14 percent of the median wage in the
15 local area.

16 “(ii) A program that—

17 “(I) serves limited English pro-
18 ficient individuals with lower levels of
19 oral and written fluency, who are
20 working but at persistently low wages;
21 and

22 “(II) aims to prepare such indi-
23 viduals for and place such individuals
24 in higher paying employment, through
25 services provided at the worksite, or

1 at a location central to several work-
2 sites, during work hours.

3 “(iii) A program that—

4 “(I) serves unemployed, limited
5 English proficient individuals with
6 lower levels of oral and written flu-
7 ency, who have little or no work expe-
8 rience; and

9 “(II) aims to prepare such indi-
10 viduals for and place such individuals
11 in employment through services that
12 include subsidized employment, in ad-
13 dition to the components required in
14 subparagraph (A)(i).

15 “(iv) A program that includes funds
16 from private and nonprofit entities.

17 “(D) PROGRAM APPROACHES.—In select-
18 ing programs to receive funding under this sub-
19 section, the Secretary shall select programs
20 with different approaches to integrated work-
21 force training, in different contexts, in order to
22 obtain comparative data on multiple approaches
23 to integrated workforce training and English
24 language instruction, to ensure programs are
25 tailored to characteristics of individuals with

1 varying skill levels and to assess how different
2 curricula work for limited English proficient
3 populations. Such approaches may include—

4 “(i) bilingual programs in which the
5 workplace language component and the
6 training are conducted in a combination of
7 an individual’s native language and
8 English;

9 “(ii) integrated workforce training
10 programs that combine basic skills, lan-
11 guage instruction, and job specific skills
12 training; or

13 “(iii) sequential programs that provide
14 a progression of skills, language, and train-
15 ing to ensure success upon an individual’s
16 completion of the program.

17 “(8) EVALUATION BY ELIGIBLE ENTITY.—Each
18 eligible entity that receives a grant under this sub-
19 section for a program shall carry out a continuous
20 program evaluation and an evaluation specific to the
21 last phase of the program operations.

22 “(9) EVALUATION BY SECRETARY.—

23 “(A) IN GENERAL.—The Secretary shall
24 conduct an evaluation of program impacts of
25 the programs funded under the demonstration

1 project, with a random assignment, experi-
2 mental design impact study done at each work-
3 site at which such a program is carried out.

4 “(B) DATA COLLECTION AND ANALYSIS.—
5 The Secretary shall collect and analyze the data
6 from the demonstration project to determine
7 program effectiveness, including gains in lan-
8 guage proficiency, acquisition of skills, and job
9 advancement for program participants.

10 “(C) REPORT.—The Secretary shall pre-
11 pare and submit to the Committee on Health,
12 Education, Labor, and Pensions of the Senate
13 and the Committee on Education and the
14 Workforce of the House of Representatives, and
15 make available to the public, a report on the
16 demonstration project, including the results of
17 the evaluation.

18 “(10) TECHNICAL ASSISTANCE.—The Secretary
19 shall provide technical assistance to recipients of
20 grants under this subsection throughout the grant
21 periods.

22 “(11) AUTHORIZATION OF APPROPRIATIONS.—
23 In addition to amounts authorized to be appro-
24 priated under section 174(b), there is authorized to

1 be appropriated \$10,000,000 for fiscal year 2004 to
2 carry out this subsection.”.

3 **SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.**

4 (a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is
5 amended—

6 (1) by striking the heading and inserting the
7 following:

8 **“SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.”;**

9 and

10 (2) in subsection (a)—

11 (A) by striking “national emergency
12 grants” and inserting “national dislocated
13 worker grants”;

14 (B) in paragraph (1), by striking “sub-
15 section (c)” and inserting “subsection (b)”;

16 (C) in paragraph (3), by striking “and”
17 after the semicolon; and

18 (D) by striking paragraph (4) and insert-
19 ing the following:

20 “(4) to a State or entity (as defined in sub-
21 section (b)(1)(B)) to carry out subsection (d), in-
22 cluding providing assistance to eligible individuals;

23 “(5) to a State or entity (as defined in sub-
24 section (b)(1)(B)) to carry out subsection (e), in-

1 including providing assistance to eligible individuals;
2 and

3 “(6) to provide additional assistance to a State
4 board or local board where a higher than average de-
5 mand for employment and training services for dis-
6 located members of the Armed Forces, or spouses,
7 as defined in section 101(9)(E), of members of the
8 Armed Forces as described in subsection
9 (c)(2)(A)(iv), exceeds State and local resources for
10 providing such services, and where such programs
11 are to be carried out in partnership with the Depart-
12 ments of Defense and Veterans Affairs transition as-
13 sistance programs.”.

14 (b) ADMINISTRATION AND ADDITIONAL ASSIST-
15 ANCE.—Section 173 (29 U.S.C. 2918) is amended—

16 (1) by striking subsection (b);

17 (2) by redesignating subsections (c) through (g)
18 as subsections (b) through (f), respectively;

19 (3) by striking subsection (d) (as redesignated
20 by paragraph (2)) and inserting the following:

21 “(d) ADDITIONAL ASSISTANCE.—

22 “(1) IN GENERAL.—From the amount appro-
23 priated and made available to carry out this section
24 for any program year, the Secretary shall use not
25 more than \$20,000,000 to make grants to States to

1 provide employment and training activities under
2 section 134, in accordance with subtitle B.

3 “(2) ELIGIBLE STATES.—The Secretary shall
4 make a grant under paragraph (1) to a State for a
5 program year if—

6 “(A) the amount of the allotment that
7 would be made to the State for the program
8 year 2003 under the formula specified in sec-
9 tion 132(b)(1)(B) as such section was in effect
10 on July 1, 2003, is greater than

11 “(B) the amount of the allotment that
12 would be made to the State for the program
13 year under the formula specified in section
14 132(b)(1)(B).

15 “(3) AMOUNT OF GRANTS.—Subject to para-
16 graph (1), the amount of the grant made under
17 paragraph (1) to a State for a program year shall
18 be based on the difference between—

19 “(A) the amount of the allotment that
20 would be made to the State for the program
21 year 2003 under the formula specified in sec-
22 tion 132(b)(1)(B) as such section was in effect
23 on July 1, 2003; and

24 “(B) the amount of the allotment that
25 would be made to the State for the program

1 year under the formula specified in section
2 132(b)(1)(B).”;

3 (4) in subsection (e) (as redesignated by para-
4 graph (2))—

5 (A) in paragraph (1), by striking “para-
6 graph (4)(A)” and inserting “paragraph (4)”;

7 (B) in paragraph (2), by striking “sub-
8 section (g)” and inserting “subsection (e)”;

9 (C) in paragraph (4), by striking “sub-
10 section (g)” and inserting “subsection (e)”;

11 (D) in paragraph (5), by striking “sub-
12 section (g)” and inserting “subsection (e)”; and

13 (E) in paragraph (6)—

14 (i) by striking “subsection (g)” and
15 inserting “subsection (e)”; and

16 (ii) by striking “subsection (c)(1)(B)”
17 and inserting “subsection (b)(1)(B)”; and

18 (5) in subsection (f)(1) (as redesignated by
19 paragraph (2))—

20 (A) by striking “paragraph (4)(B)” and
21 inserting “paragraph (4)”; and

22 (B) by striking “subsection (f)(1)(A)” and
23 inserting “subsection (d)(1)(A)”.

1 **SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NA-**
2 **TIONAL ACTIVITIES.**

3 (a) IN GENERAL.—Section 174(a)(1) (29 U.S.C.
4 2919(a)(1)) is amended by striking “1999 through 2003”
5 and inserting “2004 through 2009”.

6 (b) RESERVATIONS.—Section 174(b) (29 U.S.C.
7 2919(b)) is amended to read as follows:

8 “(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND
9 PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—
10 There are authorized to be appropriated to carry out sec-
11 tions 170 through 172 and section 136(i) such sums as
12 may be necessary for each of fiscal years 2004 through
13 2009.”.

14 **Subtitle E—Administration**

15 **SEC. 151. REQUIREMENTS AND RESTRICTIONS.**

16 Section 181(e) (29 U.S.C. 2931(e)) is amended by
17 striking “economic development activities,”.

18 **SEC. 152. COST PRINCIPLES.**

19 The matter preceding clause (i) of section
20 184(a)(2)(B) (29 U.S.C. 2934(a)(2)(B)) is amended by
21 striking “section 134(a)(3)(B)” and inserting “section
22 134(a)(4)”.

23 **SEC. 153. REPORTS.**

24 Section 185(c) (29 U.S.C. 2935(c)) is amended—

25 (1) in paragraph (2), by striking “and” after
26 the semicolon“

1 (2) in paragraph (3), by striking the period and
2 inserting “; and”; and

3 (3) by adding at the end the following:

4 “(4) shall have the option to submit or dissemi-
5 nate electronically any reports, records, plans, or any
6 other data that are required to be collected or dis-
7 seminated under this Act.”.

8 **SEC. 154. ADMINISTRATIVE PROVISIONS.**

9 (a) ANNUAL REPORT.—Section 189(d) (29 U.S.C.
10 2939(d)) is amended—

11 (1) in paragraph (3), by striking “and” after
12 the semicolon;

13 (2) by redesignating paragraph (4) as para-
14 graph (5); and

15 (3) by inserting after paragraph (3) the fol-
16 lowing:

17 “(4) the negotiated levels of performance of the
18 States, the States’ requests for adjustments of such
19 levels, and the adjustments of such levels that are
20 made; and”.

21 (b) PROGRAM YEAR.—Section 189(g)(1)(B) (29
22 U.S.C. 2939(g)(1)(B)) is amended—

23 (1) by striking “The” and inserting “For fiscal
24 years preceding fiscal year 2005, the”; and

25 (2) by inserting “such” after “any”.

1 (c) AVAILABILITY.—Section 189(g)(2) (29 U.S.C.
2 2939(g)(2)) is amended, in the first sentence—

3 (1) by striking “Funds” and inserting “Except
4 as otherwise provided in this paragraph, funds”; and
5 (2) by striking “each State receiving” and in-
6 serting “each recipient of”.

7 (d) GENERAL WAIVERS.—Section 189(i)(4) (29
8 U.S.C. 2939(i)(4)) is amended—

9 (1) in subparagraph (A)(i), by inserting “the
10 funding of infrastructure costs for one-stop centers
11 pursuant to section 121(h),” after “local boards,”;
12 and

13 (2) by adding at the end the following:

14 “(D) EXPEDITED REQUESTS.—The Sec-
15 retary shall expedite requests for waivers of
16 statutory or regulatory requirements that have
17 been approved for a State pursuant to subpara-
18 graph (B), provided the requirements of this
19 section have been satisfied.”.

20 **SEC. 155. USE OF CERTAIN REAL PROPERTY.**

21 Section 193 (29 U.S.C. 2943) is amended to read as
22 follows:

1 **“SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EM-**
2 **PLOYMENT SECURITY AGENCY REAL PROP-**
3 **ERTY TO THE STATES.**

4 “(a) TRANSFER OF FEDERAL EQUITY.—Notwith-
5 standing any other provision of law, any Federal equity
6 acquired in real property through grants to States award-
7 ed under title III of the Social Security Act (42 U.S.C.
8 501 et seq.) or under the Wagner-Peyser Act is trans-
9 ferred to the States that used the grants for the acquisi-
10 tion of such equity. The portion of any real property that
11 is attributable to the Federal equity transferred under this
12 section shall be used to carry out activities authorized
13 under title III of the Social Security Act or the Wagner-
14 Peyser Act. Any disposition of such real property shall be
15 carried out in accordance with the procedures prescribed
16 by the Secretary and the portion of the proceeds from the
17 disposition of such real property that is attributable to the
18 Federal equity transferred under this section shall be used
19 to carry out activities authorized under title III of the So-
20 cial Security Act or the Wagner-Peyser Act.

21 “(b) LIMITATION ON USE.—A State shall not use
22 funds awarded under title III of the Social Security Act
23 or the Wagner-Peyser Act to amortize the costs of real
24 property that is purchased by any State on or after the
25 effective date of this provision.”.

1 **SEC. 156. TABLE OF CONTENTS.**

2 Section 1(b) (29 U.S.C. 9201 note) is amended—

3 (1) by striking the item relating to section 123

4 and inserting the following:

 “Sec. 123. Eligible providers of youth activities.”;

5 (2) by striking the item relating to section 169

6 and inserting the following:

 “Sec. 169. Youth challenge grants.”;

7 (3) by striking the item relating to section 193

8 and inserting the following:

 “Sec. 193. Transfer of Federal equity in State employment security agency real
 property to the States.”;

9 (4) by striking the item relating to section 173

10 and inserting the following:

 “Sec. 173. National dislocated worker grants.”;

11 (5) by inserting after the item relating to sec-

12 tion 212 the following:

 “Sec. 213. Incentive grants for States.”;

13 and

14 (6) by inserting after the item relating to sec-

15 tion 243 the following:

 “Sec. 244. Integrated english literacy and civics education.”.

16 **Subtitle F—Incentive Grants**

17 **SEC. 161. INCENTIVE GRANTS.**

18 Section 503 (20 U.S.C. 9273) is amended—

19 (1) by striking subsection (a) and inserting the

20 following:

1 “(a) IN GENERAL.—

2 “(1) PRIOR TO JULY 1, 2005.—Prior to July 1,
3 2005, the Secretary shall award a grant to each
4 State in accordance with the provisions of this sec-
5 tion as this section was in effect on July 1, 2003.

6 “(2) BEGINNING ON JULY 1, 2005.—Beginning
7 on July 1, 2005, the Secretary shall award a grant
8 to each State on the basis—

9 “(A) of the State’s exceeding the State ad-
10 justed levels of performance for title I, the ad-
11 justed levels of performance for title II, and the
12 levels of performance for programs under Pub-
13 lic Law 105–332 (20 U.S.C. 2301 et seq.), for
14 the purpose of carrying out an innovative pro-
15 gram consistent with the requirements of any
16 one or more of the programs within title I, title
17 II, or such Public Law, respectively;

18 “(B) of exemplary performance of the
19 States in serving hard-to-serve populations (in-
20 cluding performance relating to the levels of
21 service provided and the performance outcomes
22 on such performance measures with respect to
23 the populations);

24 “(C) of States that are effectively—

1 “(i) coordinating multiple systems
2 into a more effective workforce develop-
3 ment system, including coordination of em-
4 ployment services under the Wagner-
5 Peyser Act and core activities under this
6 title as well as partner programs described
7 in section 121;

8 “(ii) expanding access to training, in-
9 cluding through increased leveraging of re-
10 sources other than those funded through
11 programs under this title; or

12 “(iii) implementing innovative busi-
13 ness and economic development initiatives;
14 or

15 “(D) of such other factors relating to the
16 performance of the States under this title as
17 the Secretary determines are appropriate.”; and
18 (2) in subsection (b)(2), by adding at the end
19 the following:

20 “(D) USE OF FUNDS.—The funds awarded
21 to a State under this paragraph may be used to
22 carry out any activities authorized for States
23 under chapters 4 and 5, title II of this Act, and
24 the Carl D. Perkins Vocational and Technical
25 Education Act of 1998, including demonstra-

1 tion projects and innovative programs for hard-
2 to-serve populations.”.

3 **TITLE II—AMENDMENTS TO THE**
4 **ADULT EDUCATION AND FAM-**
5 **ILY LITERACY ACT**

6 **SEC. 201. SHORT TITLE; PURPOSE.**

7 (a) SHORT TITLE.—This title may be cited as the
8 “Adult Education and Family Literacy Act Amendments
9 of 2003”.

10 (b) PURPOSE.—Section 202 of the Adult Education
11 and Family Literacy Act (20 U.S.C. 9201) is amended—

12 (1) in paragraph (2), by striking “and” after
13 the semicolon;

14 (2) in paragraph (3), by striking “education.”
15 and inserting “education and in the transition to
16 postsecondary education; and”; and

17 (3) by adding at the end the following:

18 “(4) assist immigrants and other individuals
19 with limited English proficiency in improving their
20 reading, writing, speaking, and mathematics skills
21 and acquiring an understanding of the American
22 free enterprise system, individual freedom, and the
23 responsibilities of citizenship.”.

1 **SEC. 202. DEFINITIONS.**

2 Section 203 of the Adult Education and Family Lit-
3 eracy Act (20 U.S.C. 9202) is amended—

4 (1) in paragraph (1)—

5 (A) in the matter preceding subparagraph
6 (A), by striking “services or instruction below
7 the postsecondary level” and inserting “aca-
8 demic instruction and education services below
9 the postsecondary level that increase an individ-
10 ual’s ability to read, write, and speak in
11 English and perform mathematics”; and

12 (B) by striking subparagraph (C)(i) and
13 inserting the following:

14 “(i) are basic skills deficient as de-
15 fined in section 101;”;

16 (2) in paragraph (2), by striking “activities de-
17 scribed in section 231(b)” and inserting “programs
18 and services which include reading, writing, speak-
19 ing, or mathematics skills, workplace literacy activi-
20 ties, family literacy activities, English language ac-
21 quisition activities, or other activities necessary for
22 the attainment of a secondary school diploma or its
23 State recognized equivalent”;

24 (3) in paragraph (5)—

1 (A) by inserting “an organization that has
2 demonstrated effectiveness in providing adult
3 education, that may include” after “means”;

4 (B) in subparagraph (B), by striking “of
5 demonstrated effectiveness”;

6 (C) in subparagraph (C), by striking “of
7 demonstrated effectiveness”; and

8 (D) in subparagraph (I), by inserting “or
9 coalition” after “consortium”;

10 (4) in paragraph (6)—

11 (A) by striking “LITERACY PROGRAM” and
12 inserting “LANGUAGE ACQUISITION PROGRAM”;

13 (B) by striking “literacy program” and in-
14 serting “language acquisition program”; and

15 (C) by inserting “reading, writing, and
16 speaking” after “competence in”;

17 (5) by redesignating paragraphs (7) through
18 (18) as paragraphs (8) through (19), respectively;

19 (6) by inserting after paragraph (6) the fol-
20 lowing:

21 “(7) ESSENTIAL COMPONENTS OF READING IN-
22 STRUCTION.—The term ‘essential components of
23 reading instruction’ has the meaning given the term
24 in section 1208 of the Elementary and Secondary
25 Education Act of 1965 (20 U.S.C. 6368).”; and

1 (7) by striking paragraph (19), as redesignated
2 by paragraph (4), and inserting the following:

3 “(19) WORKPLACE LITERACY PROGRAM.—The
4 term ‘workplace literacy program’ means an edu-
5 cational program designed to improve the produc-
6 tivity of the workforce through the improvement of
7 literacy skills that is offered by an eligible provider
8 in collaboration with an employer or an employee or-
9 ganization at a workplace, at an off-site location, or
10 in a simulated workplace environment.”.

11 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

12 Section 205 of the Adult Education and Family Lit-
13 eracy Act (20 U.S.C. 9204) is amended—

14 (1) by striking “1999” and inserting “2004”;
15 and

16 (2) by striking “2003” and inserting “2009”.

17 **SEC. 204. HOME SCHOOLS.**

18 Section 204 of the Adult Education and Family Lit-
19 eracy Act (20 U.S.C. 9203) is amended to read as follows:

20 **“SEC. 204. HOME SCHOOLS.**

21 “Nothing in this title shall be construed to affect
22 home schools, whether a home school is treated as a home
23 school or a private school under State law, or to compel
24 a parent engaged in home schooling to participate in an

1 English literacy program, family literacy services, or adult
2 education.”.

3 **SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE**
4 **AGENCIES; ALLOTMENTS.**

5 Section 211 of the Adult Education and Family Lit-
6 eracy Act (20 U.S.C. 9211) is amended—

7 (1) by striking subsection (a) and inserting the
8 following:

9 “(a) RESERVATION OF FUNDS.—From the sum ap-
10 propriated under section 205 for a fiscal year, the
11 Secretary—

12 “(1) shall reserve 1.5 percent to carry out sec-
13 tion 242, except that the amount so reserved shall
14 not exceed \$10,000,000;

15 “(2) shall reserve 1.5 percent to carry out sec-
16 tion 243, except that the amount so reserved shall
17 not exceed \$8,000,000;

18 “(3) shall make available, to the Secretary of
19 Labor, 1.72 percent for incentive grants under sec-
20 tion 136(i); and

21 “(4) shall reserve 12 percent of the amount
22 that remains after reserving funds under paragraphs
23 (1), (2) and (3) to carry out section 244.”;

24 (2) by striking subsection (d) and inserting the
25 following:

1 “(d) QUALIFYING ADULT.—For the purpose of sub-
2 section (c)(2), the term ‘qualifying adult’ means an adult
3 who—

4 “(1) is not less than 16 years of age;

5 “(2) is beyond the age of compulsory school at-
6 tendance under the law of the State or outlying
7 area;

8 “(3) does not have a secondary school diploma
9 or its recognized equivalent; and

10 “(4) is not enrolled in secondary school.”;

11 (3) in subsection (e)—

12 (A) by striking paragraph (2) and insert-
13 ing the following:

14 “(2) AWARD BASIS.—The Secretary shall award
15 grants pursuant to paragraph (1) on a competitive
16 basis and pursuant to recommendations from the
17 Pacific Region Educational Laboratory in Honolulu,
18 Hawaii.”; and

19 (B) in paragraph (3), by striking “shall”
20 and all that follows through the period and in-
21 serting “shall be eligible to receive a grant
22 under this title until the date when an agree-
23 ment for the extension of the United States
24 education assistance under the Compact of Free

1 Association for each of the Freely Associated
2 States becomes effective.”; and
3 (4) in subsection (f)—

4 (A) in the heading, by inserting “PROVI-
5 SIONS” after “HOLD-HARMLESS”;

6 (B) by redesignating paragraph (2) as
7 paragraph (3); and

8 (C) by striking paragraph (1) and insert-
9 ing the following:

10 “(1) IN GENERAL.—Notwithstanding subsection
11 (c) and subject to paragraphs (2) and (3), for fiscal
12 year 2004 and each succeeding fiscal year, no eligi-
13 ble agency shall receive an allotment under this title
14 that is less than 90 percent of the allotment the eli-
15 gible agency received for the preceding fiscal year
16 under this title.

17 “(2) 100 PERCENT ALLOTMENT.—An eligible
18 agency shall receive an allotment under this title
19 that is equal to 100 percent of the allotment the eli-
20 gible agency received for the preceding fiscal year
21 under this title if the eligible agency received, for the
22 preceding fiscal year, only an initial allotment under
23 subsection (c)(1) and did not receive an additional
24 allotment under subsection (c)(2).”.

1 **SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.**

2 Section 212 of the Adult Education and Family Lit-
3 eracy Act (20 U.S.C. 9212) is amended—

4 (1) in subsection (b)—

5 (A) in paragraph (1)(A)(ii), by striking
6 “additional indicators of performance (if any)”
7 and inserting “employment performance indica-
8 tors”;

9 (B) in paragraph (2)—

10 (i) in subparagraph (A)—

11 (I) in clause (i), by striking
12 “Demonstrated” and inserting “Meas-
13 urable”;

14 (II) by striking clause (ii) and in-
15 serting the following:

16 “(ii) Placement in, retention in, or
17 completion of, postsecondary education or
18 other training programs.”; and

19 (III) in clause (iii), by inserting
20 “(including recognized alternative
21 standards for individuals with disabil-
22 ities)” after “equivalent”;

23 (ii) by redesignating subparagraph
24 (B) as subparagraph (C);

25 (iii) by inserting after subparagraph
26 (A), the following:

“(B) EMPLOYMENT PERFORMANCE INDICATORS.—An eligible agency shall identify in the State plan individual participant employment performance indicators, including entry into unsubsidized employment, retention in unsubsidized employment, and career advancement. The State workforce investment board shall assist the eligible agency in obtaining and using quarterly wage records to collect data for such indicators, consistent with applicable Federal and State privacy laws.”;

(iv) in subparagraph (C), as redesignated by clause (ii), by inserting “relevant” after “additional”; and

15 (v) by adding at the end the following:

16 “(D) INDICATORS FOR WORKPLACE LIT-
17 ERACY PROGRAMS.—Special accountability
18 measures may be negotiated for workplace lit-
19 eracy programs.”; and

20 (C) in paragraph (3)—

21 (i) in subparagraph (A)—

(I) in clause (i)(II), by striking
 “in performance” and inserting “the
 agency’s performance outcomes in an

1 objective, quantifiable, and measur-
2 able form”;

3 (II) in clause (ii), by striking “3
4 programs years” and inserting “2
5 program years”;

6 (III) in clause (iii), by striking
7 “FIRST 3 YEARS” and inserting
8 “FIRST 2 YEARS”;

9 (IV) in clause (iii), by striking
10 “first 3 program years” and inserting
11 “first 2 program years”;

12 (V) in clause (v), by striking
13 “4TH AND 5TH” and inserting “3RD
14 AND 4TH”;

15 (VI) in clause (v), by striking “to
16 the fourth” and inserting “to the
17 third”;

18 (VII) in clause (v), by striking
19 “fourth and fifth” and inserting
20 “third and fourth”; and

21 (VIII) in clause (vi), by striking
22 “(II)” and inserting “(I)”;
23 (ii) in subparagraph (B)—

1 (I) by striking the heading and
2 inserting “LEVELS OF EMPLOYMENT
3 PERFORMANCE”;

4 (II) by striking “may” and in-
5 serting “shall”; and

6 (III) by striking “additional” and
7 inserting “employment”; and

8 (iii) by adding at the end the fol-
9 lowing:

10 “(C) ALTERNATIVE ASSESSMENT SYS-
11 TEMS.—Eligible agencies may approve the use
12 of assessment systems that are not commer-
13 cially available standardized systems if such
14 systems meet the Standards for Educational
15 and Psychological Testing issued by the Joint
16 Committee on Standards for Educational and
17 Psychological Testing of the American Edu-
18 cational Research Association, the American
19 Psychological Association, and the National
20 Council on Measurement in Education.”;

21 (2) in subsection (c)—

22 (A) in paragraph (1)—

23 (i) by inserting “the Governor, the
24 State legislature, and the State workforce
25 investment board” after “Secretary”; and

1 (ii) by striking “including” and all
2 that follows through the period and insert-
3 ing “including the following:

4 “(A) Information on the levels of perform-
5 ance achieved by the eligible agency with re-
6 spect to the core indicators of performance, and
7 employment performance indicators.

8 “(B) The number and type of each eligible
9 provider that receives funding under such
10 grant.

11 “(C) The number of enrollees 16 to 18
12 years of age who enrolled in adult education not
13 later than 1 year after participating in sec-
14 ondary school education.”;

15 (B) in paragraph (2)(A), by inserting “eli-
16 gible providers and” after “available to”; and

17 (C) by adding at the end the following:

18 “(3) DATA ACCESS.—The report made available
19 under paragraph (2) shall indicate which eligible
20 agencies did not have access to State unemployment
21 insurance wage data in measuring employment per-
22 formance indicators.”; and

23 (3) by adding at the end the following:

24 “(d) PROGRAM IMPROVEMENT.—

1 “(1) IN GENERAL.—If the Secretary determines
2 that an eligible agency did not meet its adjusted lev-
3 els of performance for the core indicators of per-
4 formance described in subsection (b)(2)(A) for any
5 program year, the eligible agency shall—

6 “(A) work with the Secretary to develop
7 and implement a program improvement plan for
8 the 2 program years succeeding the program
9 year in which the eligible agency did not meet
10 its adjusted levels of performance; and

11 “(B) revise its State plan under section
12 224, if necessary, to reflect the changes agreed
13 to in the program improvement plan.

14 “(2) FURTHER ASSISTANCE.—If, after the pe-
15 riod described in paragraph (1)(A), the Secretary
16 has provided technical assistance to the eligible
17 agency but determines that the eligible agency did
18 not meet its adjusted levels of performance for the
19 core indicators of performance described in sub-
20 section (b)(2)(A), the Secretary may require the eli-
21 gible agency to make further revisions to the pro-
22 gram improvement plan described in paragraph (1).
23 Such further revisions shall be accompanied by fur-
24 ther technical assistance from the Secretary.”.

1 **SEC. 207. STATE ADMINISTRATION.**

2 Section 221(1) of the Adult Education and Family
3 Literacy Act (20 U.S.C. 9221(1)) is amended by striking
4 “and implementation” and inserting “implementation,
5 and monitoring”.

6 **SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING RE-**
7 **QUIREMENT.**

8 Section 222 of the Adult Education and Family Lit-
9 eracy Act (20 U.S.C. 9222) is amended—

10 (1) in subsection (a)—

11 (A) in paragraph (1)—

12 (i) by striking “82.5” the first place
13 such term appears and inserting “80”; and

14 (ii) by striking “the 82.5 percent”
15 and inserting “such amount”;

16 (B) in paragraph (2), by striking “not
17 more than 12.5 percent” and inserting “not
18 more than 15 percent”; and

19 (C) in paragraph (3), by striking
20 “\$65,000” and inserting “\$75,000”; and

21 (2) in subsection (b)(1), by striking “equal to”
22 and inserting “that is not less than”.

23 **SEC. 209. STATE LEADERSHIP ACTIVITIES.**

24 Section 223 of the Adult Education and Family Lit-
25 eracy Act (20 U.S.C. 9223) is amended—

26 (1) in subsection (a)—

1 (A) in the matter preceding paragraph (1),
2 by inserting “to develop or enhance the adult
3 education system of the State” after “activi-
4 ties”;

5 (B) in paragraph (1), by striking “instruc-
6 tion incorporating” and all that follows through
7 the period and inserting “instruction incor-
8 porating the essential components of reading in-
9 struction and instruction provided by volunteers
10 or by personnel of a State or outlying area.”;

11 (C) in paragraph (2), by inserting “, in-
12 cluding development and dissemination of in-
13 structional and programmatic practices based
14 on the most rigorous research available in read-
15 ing, writing, speaking, mathematics, English
16 language acquisition programs, distance learn-
17 ing and staff training” after “activities”;

18 (D) in paragraph (5), by striking “moni-
19 toring and”;

20 (E) by striking paragraph (6) and insert-
21 ing the following:

22 “(6) The development and implementation of
23 technology applications, translation technology, or
24 distance learning, including professional development
25 to support the use of instructional technology.”; and

1 (F) by striking paragraph (7) through
2 paragraph (11) and inserting the following:

3 “(7) Coordination with—

4 “(A) other partners carrying out activities
5 authorized under this Act;

6 “(B) existing support services, such as
7 transportation, child care, mental health serv-
8 ices, and other assistance designed to increase
9 rates of enrollment in, and successful comple-
10 tion of adult education and literacy activities,
11 for adults enrolled in such activities.

12 “(8) Developing and disseminating curricula,
13 including curricula incorporating the essential com-
14 ponents of reading instruction as they relate to
15 adults.

16 “(9) The provision of assistance to eligible pro-
17 viders in developing, implementing, and reporting
18 measurable progress in achieving the objectives of
19 this subtitle.

20 “(10) The development and implementation of
21 a system to assist in the transition from adult basic
22 education to postsecondary education, including link-
23 ages with postsecondary educational institutions.

1 “(11) Integration of literacy and English lan-
2 guage instruction with occupational skill training,
3 and promoting linkages with employers.

4 “(12) Activities to promote workplace literacy
5 programs.

6 “(13) Activities to promote and complement
7 local outreach initiatives described in section
8 243(c)(2)(H).

9 “(14) In cooperation with efforts funded under
10 sections 242 and 243, the development of curriculum
11 frameworks and rigorous content standards that—

12 “(A) specify what adult learners should
13 know and be able to do in the areas of reading
14 and language arts, mathematics, and English
15 language acquisition; and

16 “(B) take into consideration the following:

17 “(i) State academic standards estab-
18 lished under section 1111(b) of the Ele-
19 mentary and Secondary Education Act of
20 1965.

21 “(ii) The current adult skills and lit-
22 eracy assessments used in the State.

23 “(iii) The core indicators of perform-
24 ance established under section
25 212(b)(2)(A).

1 “(iv) Standards and academic require-
2 ments for enrollment in non-remedial, for-
3 credit, courses in State supported postsec-
4 ondary education institutions.

5 “(v) Where appropriate, the basic and
6 literacy skill content of occupational and
7 industry skill standards widely used by
8 business and industry in the State.

9 “(15) In cooperation with efforts funded under
10 sections 242 and 243, development and piloting of—

11 “(A) new assessment tools and strategies
12 that identify the needs and capture the gains of
13 students at all levels, with particular emphasis
14 on—

15 “(i) students at the lowest achieve-
16 ment level;

17 “(ii) students who have limited
18 English proficiency; and

19 “(iii) adults with learning disabilities;

20 “(B) options for improving teacher quality
21 and retention; and

22 “(C) assistance in converting research into
23 practice.

24 “(16) The development and implementation of
25 programs and services to meet the needs of adult

1 learners with learning disabilities or limited English
2 proficiency.

3 “(17) Other activities of statewide significance
4 that promote the purpose of this title.”; and

5 (2) in subsection (c), by striking “being State-
6 or outlying area-imposed” and inserting “being im-
7 posed by the State or outlying area”.

8 **SEC. 210. STATE PLAN.**

9 Section 224 of the Adult Education and Family Lit-
10 eracy Act (20 U.S.C. 9224) is amended—

11 (1) in subsection (a)—

12 (A) by striking the heading and inserting
13 “4-YEAR PLANS”; and

14 (B) in paragraph (1), by striking “5” and
15 inserting “4”;

16 (2) in subsection (b)—

17 (A) in paragraph (1), by inserting “and
18 the role of provider and cooperating agencies in
19 preparing the assessment” after “serve”;

20 (B) by striking paragraph (2) and insert-
21 ing the following:

22 “(2) a description of how the eligible agency
23 will address the adult education and literacy needs
24 identified under paragraph (1) in each workforce de-
25 velopment area of the State, using funds received

1 under this subtitle, as well as other Federal, State,
2 or local funds received in partnership with other
3 agencies for the purpose of adult literacy as applica-
4 ble;”;

5 (C) in paragraph (3)—

6 (i) by inserting “and measure” after
7 “evaluate”;

8 (ii) by inserting “and improvement”
9 after “effectiveness”; and

10 (iii) by striking “212” and inserting
11 “212, including—

12 “(A) how the eligible agency will evaluate
13 and measure annually such effectiveness on a
14 grant-by-grant basis; and

15 “(B) how the eligible agency—

16 “(i) will hold eligible providers ac-
17 countable regarding the progress of such
18 providers in improving the academic
19 achievement of participants in adult edu-
20 cation programs under this subtitle and re-
21 garding the core indicators of performance
22 described in section 212(b)(2)(A); and

23 “(ii) will use technical assistance,
24 sanctions, and rewards (including alloca-
25 tion of grant funds based on performance

1 and termination of grant funds based on
2 performance)”;

3 (D) in paragraph (4), by striking “will en-
4 sure the improvement of” and inserting “im-
5 proved”;

6 (E) by redesignating paragraphs (5)
7 through (12) as paragraphs (6) through (13),
8 respectively;

9 (F) by inserting after paragraph (4) the
10 following:

11 “(5) a description of how the eligible agency
12 will improve teacher quality, the professional devel-
13 opment of eligible providers, and instruction;”;

14 (G) in paragraph (6) (as redesignated by
15 subparagraph (E)), by striking “who” and all
16 that follows through the semicolon and insert-
17 ing “that—

18 “(A) offers flexible schedules and coordi-
19 nates with necessary Federal, State, and local
20 support services (such as child care, transpor-
21 tation, mental health services, and case man-
22 agement) to enable individuals, including indi-
23 viduals with disabilities or individuals with
24 other special needs, to participate in adult edu-
25 cation and literacy activities; and

1 “(B) attempts to coordinate with support
2 services that are not provided under this sub-
3 title prior to using funds for adult education
4 and literacy activities provided under this sub-
5 title for support services;”;

6 (H) in paragraph (10) (as redesignated by
7 subparagraph (E)), by striking “plan” and in-
8 serting “plan, which process—

9 “(A) shall include the State Workforce In-
10 vestment Board, the Governor, State officials
11 representing public schools, community colleges,
12 welfare agencies, agencies that provide services
13 to individuals with disabilities, other State
14 agencies that promote or operate adult edu-
15 cation and literacy activities, and direct pro-
16 viders of such adult literacy services;

17 “(B) may include consultation with the
18 State agency for higher education, institutions
19 responsible for professional development of
20 adult education and literacy education program
21 instructors, institutions of higher education,
22 representatives of business and industry, ref-
23 ugee assistance programs, and community-
24 based organizations, as defined in section
25 101;”;

1 (I) in paragraph (11) (as redesignated by
2 subparagraph (E))—

3 (i) by inserting “assess potential pop-
4 ulation needs and” after “will”;

5 (ii) in subparagraph (A), by striking
6 “students” and inserting “individuals”;

7 (iii) in subparagraph (C), by striking
8 “and” after the semicolon; and

9 (iv) by adding at the end the fol-
10 lowing:

11 “(E) the unemployed; and

12 “(F) those who are employed, but at levels
13 below self-sufficiency, as defined in section
14 101.”;

15 (J) in paragraph (12) (as redesignated by
16 subparagraph (E))—

17 (i) by inserting “and how the plan
18 submitted under this subtitle is coordi-
19 nated with the plan submitted by the State
20 under title I” after “eligible agency”; and

21 (ii) by striking “and” after the semi-
22 colon;

23 (K) in paragraph (13) (as redesignated by
24 subparagraph (E)), by striking “231(c)(1).”
25 and inserting “231(c)(1), including—

1 “(A) how the State will build the capacity
2 of organizations that provide adult education
3 and literacy activities; and

4 “(B) how the State will increase the par-
5 ticipation of business and industry in adult edu-
6 cation and literacy activities;”; and

7 (L) by adding at the end the following:

8 “(14) a description of how the eligible agency
9 will consult with any State agency responsible for
10 postsecondary education to develop adult education
11 programs and services (including academic skill de-
12 velopment and support services) that prepare stu-
13 dents to enter postsecondary education upon comple-
14 tion of secondary school programs or their recog-
15 nized equivalent;

16 “(15) a description of how the eligible agency
17 will consult with the State agency responsible for
18 workforce development to develop adult education
19 programs and services that are designed to prepare
20 students to enter the workforce; and

21 “(16) a description of how the eligible agency
22 will improve the professional development of eligible
23 providers of adult education and literacy activities.”;

24 (3) in subsection (c), by adding at the end the
25 following: “At the end of the first 2-year period of

1 the 4-year State plan, the eligible agency shall re-
2 view and, as needed, revise the 4-year State plan.”;
3 and

4 (4) in subsection (d)—

5 (A) in paragraph (1), by inserting “, the
6 chief State school officer, the State officer re-
7 sponsible for administering community and
8 technical colleges, and the State Workforce In-
9 vestment Board” after “Governor”; and

10 (B) in paragraph (2), by striking “com-
11 ments” and all that follows through the period
12 and inserting “comments regarding the State
13 plan by the Governor, the chief State school of-
14 ficer, the State officer responsible for admin-
15 istering community and technical colleges, and
16 the State Workforce Investment Board, and
17 any revision to the State plan, are submitted to
18 the Secretary.”.

19 **SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND**
20 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

21 Section 225 of the Adult Education and Family Lit-
22 eracy Act (20 U.S.C. 9225) is amended—

23 (1) in subsection (b)—

1 (A) in paragraph (1), by striking “basic
2 education” and inserting “adult education and
3 literacy activities”;

4 (B) in paragraph (2) by inserting “and”
5 after the semicolon;

6 (C) by striking paragraph (3); and

7 (D) by redesignating paragraph (4) as
8 paragraph (3); and

9 (2) in subsection (d), by striking “DEFINITION
10 OF CRIMINAL OFFENDER.—” and inserting “DEFI-
11 NITIONS.—In this section:”.

12 **SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PRO-**
13 **VIDERS.**

14 Section 231 of the Adult Education and Family Lit-
15 eracy Act (20 U.S.C. 9241) is amended—

16 (1) in subsection (b)—

17 (A) in paragraph (1), by striking “work-
18 place literacy services” and inserting “work-
19 place literacy programs”; and

20 (B) in paragraph (3), by striking “lit-
21 eracy” and inserting “language acquisition”;

22 (2) in subsection (e)—

23 (A) in paragraph (1), by inserting “to be
24 achieved annually on the core indicators of per-
25 formance and employment performance indica-

1 tors described in section 212(b)(2)” after “out-
2 comes”;

3 (B) by striking paragraph (3) and insert-
4 ing the following:

5 “(3) the commitment of the eligible provider to
6 be responsive to local needs and to serve individuals
7 in the community who were identified by the assess-
8 ment as most in need of adult literacy services, in-
9 cluding individuals who are low-income, have mini-
10 mal literacy skills, have learning disabilities, or have
11 limited English proficiency;”;

12 (C) in paragraph (4)(B), by striking “,
13 such as” and all that follows through the semi-
14 colon and inserting “that include the essential
15 components of reading instruction;”;

16 (D) in paragraph (5), by striking “re-
17 search” and inserting “the most rigorous re-
18 search available”;

19 (E) in paragraph (7), by inserting “, when
20 appropriate and based on the most rigorous re-
21 search available,” after “real life contexts”;

22 (F) in paragraph (9), by inserting “edu-
23 cation, job-training, and social service” after
24 “other available”;

25 (G) in paragraph (10)—

1 (i) by inserting “coordination with
2 Federal, State, and local” after “schedules
3 and”; and

4 (ii) by striking “and transportation”
5 and inserting “, transportation, mental
6 health services, and case management”;

7 (H) in paragraph (11)—

8 (i) by inserting “measurable” after
9 “report”;

10 (ii) by striking “eligible agency”;

11 (iii) by inserting “established by the
12 eligible agency” after “performance meas-
13 ures”; and

14 (iv) by striking “and” after the semi-
15 colon;

16 (I) in paragraph (12), by striking “literacy
17 programs.” and inserting “language acquisition
18 programs and civics education programs;”; and

19 (J) by adding at the end the following:

20 “(13) the capacity of the eligible provider to
21 produce information on performance results, includ-
22 ing enrollments and measurable participant out-
23 comes;

24 “(14) whether reading, writing, speaking, math-
25 ematics, and English language acquisition instruc-

1 tion provided by the eligible provider are based on
2 the best practices derived from the most rigorous re-
3 search available;

4 “(15) whether the eligible provider’s applica-
5 tions of technology and services to be provided are
6 sufficient to increase the amount and quality of
7 learning and lead to measurable learning gains with-
8 in specified time periods; and

9 “(16) the capacity of the eligible provider to
10 serve adult learners with learning disabilities.”.

11 **SEC. 213. LOCAL APPLICATION.**

12 Section 232 of the Adult Education and Family Lit-
13 eracy Act (20 U.S.C. 9242) is amended—

14 (1) in paragraph (1)—

15 (A) by inserting “consistent with the re-
16 quirements of this subtitle” after “spent”; and

17 (B) by striking “and” after the semicolon;

18 (2) in paragraph (2), by striking the period at
19 the end and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(3) information that addresses each of the
22 considerations required under section 231(e).”.

23 **SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.**

24 Section 233 of the Adult Education and Family Lit-
25 eracy Act (20 U.S.C. 9243) is amended—

1 (1) in subsection (a)(2)—

2 (A) by inserting “and professional” after
3 “personnel”; and

4 (B) by inserting “development of measur-
5 able goals in reading, writing, and speaking the
6 English language, and in mathematical com-
7 putation,” after “development,”; and

8 (2) in subsection (b)—

9 (A) by inserting “and professional” after
10 “personnel”; and

11 (B) by inserting “development of measur-
12 able goals in reading, writing, and speaking the
13 English language, and in mathematical com-
14 putation,” after “development,”.

15 **SEC. 215. ADMINISTRATIVE PROVISIONS.**

16 Section 241(b) of the Adult Education and Family
17 Literacy Act (20 U.S.C. 9251(b)) is amended—

18 (1) in paragraph (1)(A)—

19 (A) by striking “adult education and lit-
20 eracy activities” both places such terms appear
21 and inserting “activities under this subtitle”;
22 and

23 (B) by striking “was” and inserting
24 “were”; and

25 (2) in paragraph (4)—

1 (A) by inserting “not more than” after
2 “this subsection for”; and

3 (B) by striking “only”.

4 **SEC. 216. NATIONAL INSTITUTE FOR LITERACY.**

5 Section 242 of the Adult Education and Family Lit-
6 eracy Act (20 U.S.C. 9252) is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (1), by striking “lit-
9 eracy” and inserting “effective literacy pro-
10 grams for children, youth, adults, and families”;

11 (B) in paragraph (2), by inserting “and
12 disseminates information on” after “coordi-
13 nates”; and

14 (C) by striking paragraph (3)(A) and in-
15 serting the following:

16 “(A) coordinating and participating in the
17 Federal effort to identify and disseminate infor-
18 mation on literacy that is derived from scientif-
19 ically based research, or the most rigorous re-
20 search available and effective programs that
21 serve children, youth, adults, and families.”;

22 (2) by striking subsection (b)(3) and inserting
23 the following:

24 “(3) RECOMMENDATIONS.—The Interagency
25 Group, in consultation with the National Institute

1 for Literacy Advisory Board (in this section referred
2 to as the ‘Board’) established under subsection (e),
3 shall plan the goals of the Institute and the imple-
4 mentation of any programs to achieve the goals. The
5 Board may also request a meeting of the Inter-
6 agency Group to discuss any recommendations the
7 Board may make.”;

8 (3) in subsection (c)—

9 (A) in paragraph (1)—

10 (i) in subparagraph (A)—

11 (I) by striking “to establish” and
12 inserting “to maintain”;

13 (II) in clause (i), by striking
14 “phonemic awareness, systematic
15 phonics, fluency, and reading com-
16 prehension” and inserting “the essen-
17 tial components of reading instruc-
18 tion”;

19 (III) in clause (iii), by striking
20 “and” after the semicolon;

21 (IV) in clause (iv), by inserting
22 “and” after the semicolon; and

23 (V) by adding at the end the fol-
24 lowing:

- 1 “(v) a list of local adult education and
2 literacy programs;”;
3 (ii) in subparagraph (C)—
4 (I) by striking “reliable and
5 replicable research” and inserting “re-
6 liable and replicable research as de-
7 fined by the Institute of Education
8 Sciences”; and
9 (II) by striking “especially with
10 the Office of Educational Research
11 and Improvement in the Department
12 of Education,”;
13 (iii) in subparagraph (D), by striking
14 “phonemic awareness, systematic phonics,
15 fluency, and reading comprehension based
16 on” and inserting “the essential compo-
17 nents of reading instruction and”;
18 (iv) in subparagraph (H), by striking
19 “and” after the semicolon;
20 (v) in subparagraph (I), by striking
21 the period at the end and inserting a semi-
22 colon; and
23 (vi) by adding at the end the fol-
24 lowing:

1 “(J) to work cooperatively with the De-
2 partment of Education to assist States that are
3 pursuing the implementation of standards-based
4 educational improvements for adults through
5 the dissemination of training, technical assist-
6 ance, and related support and through the de-
7 velopment and dissemination of related stand-
8 ards-based assessment instruments; and

9 “(K) to identify rigorous research on the
10 effectiveness of instructional practices and orga-
11 nizational strategies relating to literacy pro-
12 grams on the acquisition of skills in reading,
13 writing, English acquisition, and mathe-
14 matics.”; and

15 (B) by adding at the end the following:

16 “(3) COORDINATION.—In identifying the reli-
17 able and replicable research the Institute will sup-
18 port, the Institute shall use standards for research
19 quality that are consistent with those of the Insti-
20 tute of Education Sciences.”;

21 (4) in subsection (e)—

22 (A) in paragraph (1)(B)—

23 (i) in clause (i), by striking “literacy
24 programs” and inserting “language acqui-
25 sition programs”;

1 (ii) in clause (ii), by striking “literacy
2 programs” and inserting “or have partici-
3 pated in or partnered with workplace lit-
4 eracy programs”;

5 (iii) in clause (iv), by inserting “, in-
6 cluding adult literacy research” after “re-
7 search”;

8 (iv) in clause (vi), by striking “and”
9 after the semicolon;

10 (v) in clause (vii), by striking the pe-
11 riod at the end and inserting “; and”; and

12 (vi) by adding at the end the fol-
13 lowing:

14 “(viii) institutions of higher edu-
15 cation.”;

16 (B) in paragraph (2)—

17 (i) in subparagraph (B), by striking
18 “and” after the semicolon;

19 (ii) in subparagraph (C), by striking
20 the period at the end and inserting “;
21 and”; and

22 (iii) by adding at the end the fol-
23 lowing:

24 “(D) review the biennial report submitted
25 to Congress pursuant to subsection (k).”; and

1 (C) in paragraph (5), by striking the sec-
2 ond sentence and inserting the following: “A
3 recommendation of the Board may be passed
4 only by a majority of the Board’s members
5 present at a meeting for which there is a
6 quorum.”; and
7 (5) in subsection (k)—

8 (A) by striking “Labor and Human Re-
9 sources” and inserting “Health, Education,
10 Labor, and Pensions”; and

11 (B) by striking “The Institute shall submit
12 a report biennially to” and inserting “Not later
13 than 1 year after the date of enactment of the
14 Adult Education and Family Literacy Act
15 Amendments of 2003, and biennially thereafter,
16 the Institute shall submit a report to”.

17 **SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.**

18 Section 243 of the Adult Education and Family Lit-
19 eracy Act (20 U.S.C. 9253) is amended to read as follows:

20 **“SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.**

21 “(a) IN GENERAL.—The Secretary shall establish
22 and carry out a program of national leadership activities
23 to enhance the quality of adult education and literacy pro-
24 grams nationwide.

1 “(b) PERMISSIVE ACTIVITIES.—The national leader-
2 ship activities described in subsection (a) may include the
3 following:

4 “(1) Technical assistance, including—

5 “(A) assistance provided to eligible pro-
6 viders in developing and using performance
7 measures for the improvement of adult edu-
8 cation and literacy activities, including family
9 literacy services;

10 “(B) assistance related to professional de-
11 velopment activities, and assistance for the pur-
12 poses of developing, improving, identifying, and
13 disseminating the most successful methods and
14 techniques for providing adult education and
15 literacy activities, including family literacy serv-
16 ices, based on scientific evidence where avail-
17 able;

18 “(C) assistance in distance learning and
19 promoting and improving the use of technology
20 in the classroom;

21 “(D) assistance in developing valid, meas-
22 urable, and reliable performance data, including
23 data around employment and employment out-
24 come, and using performance information for

1 the improvement of adult education and literacy
2 programs; and

3 “(E) assistance to help States, particularly
4 low-performing States, meet the requirements
5 of section 212.

6 “(2) A program of grants, contracts, or cooper-
7 ative agreements awarded on a competitive basis to
8 national, regional, or local networks of private non-
9 profit organizations, public libraries, or institutions
10 of higher education to build the capacity of such net-
11 works’ members to meet the performance require-
12 ments of eligible providers under this title and in-
13 volve adult learners in program improvement.

14 “(3) Funding national leadership activities that
15 are not described in paragraph (1), either directly or
16 through grants, contracts, or cooperative agreements
17 awarded on a competitive basis to or with postsec-
18 ondary educational institutions, public or private or-
19 ganizations or agencies, or consortia of such institu-
20 tions, organizations, or agencies, such as—

21 “(A) developing, improving, and identifying
22 the most successful methods and techniques for
23 addressing the education needs of adults, in-
24 cluding instructional practices using the essen-
25 tial components of reading instruction based on

1 the work of the National Institute of Child
2 Health and Human Development;

3 “(B) increasing the effectiveness of, and
4 improving the quality of, adult education and
5 literacy activities, including family literacy serv-
6 ices;

7 “(C) carrying out research on national lit-
8 eracy basic skill acquisition for adult learning,
9 including estimating the number of adults func-
10 tioning at the lowest levels of literacy pro-
11 ficiency;

12 “(D)(i) carrying out demonstration pro-
13 grams;

14 “(ii) disseminating best practices informa-
15 tion, including information regarding promising
16 practices resulting from federally funded dem-
17 onstration programs; and

18 “(iii) developing and replicating best prac-
19 tices and innovative programs, including—

20 “(I) the development of models for
21 basic skill certificates;

22 “(II) the identification of effective
23 strategies for working with adults with
24 learning disabilities and with adults with
25 limited English proficiency;

1 “(III) integrated basic and workplace
2 skills education programs;

3 “(IV) coordinated literacy and em-
4 ployment services; and

5 “(V) postsecondary education transi-
6 tion programs;

7 “(E) providing for the conduct of an inde-
8 pendent evaluation and assessment of adult
9 education and literacy activities through studies
10 and analyses conducted independently through
11 grants and contracts awarded on a competitive
12 basis, which evaluation and assessment shall in-
13 clude descriptions of—

14 “(i) the effect of performance meas-
15 ures and other measures of accountability
16 on the delivery of adult education and lit-
17 eracy activities, including family literacy
18 services;

19 “(ii) the extent to which the adult
20 education and literacy activities, including
21 family literacy services, increase the lit-
22 eracy skills of adults (and of children, in
23 the case of family literacy services), lead
24 the participants in such activities to in-
25 volvement in further education and train-

1 ing, enhance the employment and earnings
2 of such participants, and, if applicable,
3 lead to other positive outcomes, such as re-
4 ductions in recidivism in the case of pris-
5 on-based adult education and literacy ac-
6 tivities;

7 “(iii) the extent to which the provision
8 of support services to adults enrolled in
9 adult education and family literacy pro-
10 grams increase the rate of enrollment in,
11 and successful completion of, such pro-
12 grams; and

13 “(iv) the extent to which different
14 types of providers measurably improve the
15 skills of participants in adult education
16 and literacy programs;

17 “(F) supporting efforts aimed at capacity
18 building of programs at the State and local lev-
19 els such as technical assistance in program
20 planning, assessment, evaluation, and moni-
21 toring of activities carried out under this sub-
22 title;

23 “(G) collecting data, such as data regard-
24 ing the improvement of both local and State
25 data systems, through technical assistance and

1 development of model performance data collec-
2 tion systems;

3 “(H) supporting the development of an en-
4 tity that would produce and distribute tech-
5 nology-based programs and materials for adult
6 education and literacy programs using an inter-
7 connection system (as defined in section 397 of
8 the Communications Act of 1934 (47 U.S.C.
9 397)) and expand the effective outreach and
10 use of such programs and materials to adult
11 education eligible providers;

12 “(I) determining how participation in adult
13 education and literacy activities prepares indi-
14 viduals for entry into postsecondary education
15 and employment and, in the case of prison-
16 based services, has an effect on recidivism; and

17 “(J) other activities designed to enhance
18 the quality of adult education and literacy ac-
19 tivities nationwide.”.

20 **SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS**
21 **EDUCATION.**

22 Chapter 4 of subtitle A of title II (29 U.S.C. 9251
23 et seq.) is amended by adding at the end the following:

1 **“SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS**
2 **EDUCATION.**

3 “(a) IN GENERAL.—From funds made available
4 under section 211(a)(4) for each fiscal year the Secretary
5 shall award grants to States, from allotments under sub-
6 section (b), for integrated English literacy and civics edu-
7 cation.

8 “(b) ALLOTMENT.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 from amounts made available under section
11 211(a)(4) for a fiscal year the Secretary shall
12 allocate—

13 “(A) 65 percent to the States on the basis
14 of a State’s need for integrated English literacy
15 and civics education as determined by calcu-
16 lating each State’s share of a 10-year average
17 of the Immigration and Naturalization Service
18 data for immigrants admitted for legal perma-
19 nent residence for the 10 most recent years;
20 and

21 “(B) 35 percent to the States on the basis
22 of whether the State experienced growth as
23 measured by the average of the 3 most recent
24 years for which Immigration and Naturalization
25 Service data for immigrants admitted for legal
26 permanent residence are available.

1 “(2) MINIMUM.—No State shall receive an al-
2 lotment under paragraph (1) in an amount that is
3 less than \$60,000.”.

4 **SEC. 219. TRANSITION.**

5 The Secretary shall take such steps as the Secretary
6 determines to be appropriate to provide for the orderly
7 transition to the authority of the Adult Education and
8 Family Literacy Act (as amended by this title) from any
9 authority under provisions of the Adult Education and
10 Family Literacy Act (as such Act was in effect on the day
11 before the date of enactment of the Adult Education and
12 Family Literacy Act Amendments of 2003).

13 **TITLE III—AMENDMENTS TO**
14 **OTHER PROVISIONS OF LAW**

15 **SEC. 301. WAGNER-PEYSER ACT.**

16 (a) CONFORMING AMENDMENT.—Section 2(3) of the
17 Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by
18 striking “section 134(c)” and inserting “section 121(e)”.

19 (b) COLOCATION.—Section 3 of the Wagner-Peyser
20 Act (29 U.S.C. 49b) is amended by adding at the end the
21 following:

22 “(d) In order to avoid duplication of services and en-
23 hance integration of services, employment services offices
24 in each State shall be colocated with comprehensive one-

1 stop centers established under title I of the Workforce In-
2 vestment Act of 1998.”.

3 (c) COOPERATIVE STATISTICAL PROGRAM.—Section
4 14 of the Wagner-Peyser Act (29 U.S.C. 491–1) is amend-
5 ed by striking the section heading and all that follows
6 through “There” and inserting the following:

7 **“SEC. 14. COOPERATIVE STATISTICAL PROGRAM.**

8 “There”.

9 (d) WORKFORCE AND LABOR MARKET INFORMATION
10 SYSTEM.—Section 15 of the Wagner-Peyser Act (29
11 U.S.C. 491–2) is amended—

12 (1) by striking the section heading and insert-
13 ing the following:

14 **“SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION**
15 **SYSTEM.”;**

16 (2) by striking “employment statistics system”
17 each place it appears and inserting “workforce and
18 labor market information system”;

19 (3) in subsection (a)(1), by striking “of employ-
20 ment statistics”;

21 (4) in subsection (b)(2)(E)—

22 (A) in clause (i), by adding “and” at the
23 end;

24 (B) in clause (ii), by striking “; and” and
25 inserting a period; and

1 (C) by striking clause (iii);

2 (5) by striking subsections (c) and (d) and in-
3 serting the following:

4 “(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE
5 SERVICES.—The Secretary, in consultation with States, is
6 authorized to assist in the development of national elec-
7 tronic tools that may be used to improve access to work-
8 force information for individuals through—

9 “(1) the one-stop delivery systems established
10 under section 121(e); and

11 “(2) such other delivery systems as the Sec-
12 retary determines to be appropriate.

13 “(d) TWO-YEAR PLAN.—The Secretary, working
14 through the Bureau of Labor Statistics, and in coopera-
15 tion with the States and with the assistance of the Em-
16 ployment and Training Administration and other appro-
17 priate Federal agencies, shall prepare a 2-year plan which
18 shall be the mechanism for achieving cooperative manage-
19 ment of the nationwide workforce and labor market infor-
20 mation system described in subsection (a) and the state-
21 wide workforce and labor market information systems that
22 comprise the nationwide system. The plan shall—

23 “(1) describe the steps to be taken in the
24 following 2 years to carry out the duties described
25 in subsection (b)(2);

1 “(2) evaluate the performance of the system
2 and recommend needed improvements, with par-
3 ticular attention to the improvements needed at the
4 State and local levels; and

5 “(3) describe the involvement of States in the
6 development of the plan, pursuant to a process es-
7 tablished by the Secretary in cooperation with the
8 States in accordance with subsection (d).

9 “(e) COORDINATION WITH THE STATES.—The Sec-
10 retary, working through the Bureau of Labor Statistics and
11 in coordination with the Employment and Training Ad-
12 ministration, shall consult at least annually with rep-
13 resentatives of each of the 10 Federal regions of the De-
14 partment of Labor, elected (pursuant to a process estab-
15 lished by the Secretary) by and from the State workforce
16 and labor market information directors affiliated with the
17 State agencies that perform the duties described in sub-
18 section (e)(2).”;

19 (6) in subsection (e)(2)—

20 (A) in subparagraph (G), by adding “and”
21 at the end;

22 (B) by striking subparagraph (H); and

23 (C) by redesignating subparagraph (I) as
24 subparagraph (H); and

1 (7) in subsection (g), by striking “1999 through
2 2004” and inserting “2004 through 2009 to enable
3 the Secretary to carry out the provisions of this sec-
4 tion in a timely manner through grants or coopera-
5 tive agreements with the States”.